

REQUEST FOR PROPOSALS
Long Term Care Auditing Services

RFP#: R-89-05-0268

Issued By:
The Ohio Department of Job and Family Services

(September 5, 2007)

REQUEST FOR PROPOSALS (RFP): Long Term Care Audits
RFP#: R-89-05-0268

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ODJFS REQUEST FOR PROPOSALS (RFP):
Long Term Care Auditing Services

RFP#: R-89-05-0268

SECTION I. GENERAL PURPOSE & VENDOR INFORMATION

1.1 Purpose

The Ohio Department of Job and Family Services (ODJFS) releases this Request for Proposals (RFP) for the purpose of obtaining auditing services from certified Independent Public Accountants (IPAs) (also referred to in this RFP as “vendors”) for cost reports filed by long term care (LTC) providers certified under the Medicaid program and of the paid claims for services provided to Medicaid LTC residents. These auditing services are to be provided in accordance with the provisions of Section II of this RFP to enable ODJFS’ compliance with Ohio Administrative Code Sections 5101:3-1-27 and 5101:3-3-21. ODJFS intends to award multiple contracts resulting from this RFP.

ODJFS is responsible pursuant to ORC 5111.27 for the audit of cost reports filed with ODJFS by long term care Medicaid providers, including nursing facilities (NFs) and intermediate care facilities for the mentally retarded (ICF-MRs). During the period of approximately October 19, 2007 through June 30, 2008, ODJFS must provide for the auditing of approximately 400 cost reports. These are primarily cost reports filed for calendar year (CY) 2003. A listing of current facilities to be audited can be found in **Appendix 10—Audit Listing of Long Term Care Facilities**, of this RFP. Those IPAs awarded contracts as a result of this RFP process will have similar requirements for state fiscal year (SFY) 09 and will be provided with a new listing of audits to be performed.

Due to the number of cost reports to be audited and the size of the engagements, contracts will not be awarded to vendors for specific, individual audits but rather will be based upon vendors’ proposals for full-scope and limited-scope audits. Engagements, for the purpose of this RFP, refer to the performance of the specified professional services for individual provider cost reports. Selected vendors will be awarded contracts for a certain number of full-scope and limited-scope audits based upon the criteria in Section VI., Criteria for Proposal Evaluation and Selection, as well as on the vendors’ capacity for full and/or limited-scope audits as indicated in their technical proposals.

Each vendor interested in submitting a response to this RFP is advised to thoroughly and carefully review the RFP requirements and provisions in order to submit a complete, clear and concise proposal.

1.2 Issuing Office

This RFP is released by and the subsequent contracts will be with the ODJFS. The Office of Research, Assessment and Accountability (ORAA), which will administer the contracts, and will be responsible for state level supervision of all activities of the selected vendors. ORAA’s mission is to gather, validate and analyze information, and to provide technical assistance that helps our customers make informed decisions, to improve performance.

If interested vendors have a need to communicate regarding this RFP, they must contact **ODJFS** using one of the mechanisms provided for in **Sections 1.7, Internet Question and Answer**

Period/RFP Clarification Opportunity, or 1.9, Communications Prohibited, of this RFP. Vendors are cautioned that communication attempts which do not comply with these instructions will not be answered, and that ODJFS will not consider any proposals submitted to any address other than the one provided in Section 4.1 of this RFP.

1.3 Background

Title XIX of the Social Security Act, enacted in 1965, authorizes federal grants to states for medical assistance to low income persons who are age 65 or over (aged), blind, or disabled (ABD), or otherwise qualified. The program, hereinafter referred to as Medicaid, is jointly financed by state and federal governments and administered by the states. In Ohio, the Medicaid program is established statutorily under ORC Chapter 5111. ODJFS has been designated by the federal government as the single state agency responsible for the administration of the Medicaid program.

The ODJFS, Office of Ohio Health Plans (OHP), Bureau of Long Term Care Administration (BLTCA), is the ODJFS administrative unit responsible for the administration of the Medicaid program with regard to providers of institutional care. As part of the cost structure established for these providers, they must file annual cost reports with BLTCA. ODJFS is responsible under the Medicaid program for audits of these cost reports to verify the accuracy of reported data, to provide reasonable assurances that claimed costs are allowable under the program, and the billed services by the LTC provider are accurate. Specific provisions for these audits are set forth in OAC Rules 5101:3-1-27 and 5101:3-3-21 respectively.

1.4 Overview of the Project

ODJFS is seeking the services of qualified vendors in accordance with OAC Rule 5101:3-3-21 to provide auditing services for Medicaid cost reports filed with ODJFS pursuant to OAC Rule 5101:3-3-20. In conjunction with the cost report audit, the vendor will provide auditing services of the provider's Medicaid billings pursuant to OAC Rules **5101:3-3-39 and 5101:3-3-39.1**, in accordance with OAC Rule 5101:3-1-27. The work product resulting from these auditing services will be used by the ODJFS Bureau of Audit (BOA) to generate statutory audit reports for use by BLTCF. The auditing services requested are to be provided in accordance with the provisions contained in this RFP.

1.5 Objectives of the Project

The objective of the contracts resulting from this RFP is to provide ODJFS with the resources necessary to issue audit reports of cost reports and the services billed during the reimbursement fiscal year by certified Medicaid long term care providers.

ODJFS is soliciting the services of qualified vendors to perform Attestation Engagements, which include *Agreed-Upon Procedures*, established by ODJFS, to audit form 2524 Medicaid cost reports, described in Section 2.2, filed with ODJFS pursuant to OAC Rule 5101:3-3-20 and Medicaid Long Term Care (LTC) billings, pursuant to Rules 5101:3-3-39 and 5101:3-3-39.1 of the OAC. These engagements are to be performed in accordance with the provisions contained in this RFP and Attestation Engagements (AT) Section 600 of the AICPA (American Institute of Certified Public Accountants) Codification of Statements on Standards for Attestation Engagements.

1.6 Anticipated Procurement Timetable

DATE	EVENT/ACTIVITY
September 11, 2007	ODJFS Releases RFP to Potential Vendors on ODJFS Web Site; Q&A Period Opens - RFP becomes active - Vendors may submit inquiries for RFP clarification
September 21, 2007	Vendor Q&A Period Closes, 10 a.m. (for inquiries for RFP Clarification) - No further inquiries for RFP clarification will be accepted
September 28, 2007	ODJFS provides Final Vendor Question & Answer Document (estimated)
October 12, 2007	Deadline for Vendors to Submit Proposals to ODJFS (3 p.m.) - This is the proposal opening date, beginning the ODJFS process of proposal review
October 19, 2007	ODJFS Issues Contract Award Notification Letter (estimated) - Vendors that submitted proposals in response to this RFP will be sent letters stating whether their proposal was accepted for award of the contract
December 17, 2007	Controlling Board Review of Contract (estimated). -Contracts with the selected vendor requires Controlling Board review and approval
January 1, 2008	Implementation* (estimated–following notification of all contractual and funding approvals) - ODJFS contracts are not valid and effective until the state Office of Budget Management approves the purchase order.
April 1, 2008	Project Completion** - All work must be completed and approved by ODJFS Contract Manager

ODJFS reserves the right to revise this schedule in the best interest of the State of Ohio and/or to comply with the State of Ohio procurement procedures and regulations and after providing reasonable notice.

* According to requirements of Ohio Revised Code (ORC) 126.07, ODJFS contracts are not valid and enforceable until the Office of Budget and Management (OBM) certifies the availability of appropriate funding, as indicated by the approval of the Purchase Order (P.O.). The selected vendor may neither perform work nor submit an invoice for payment for work performed for this project for

any time period prior to the P.O. approval date. The ODJFS Contract Manager will notify the selected vendor when the requirements of ORC Section 126.07 have been met.

* * Subject to approval by the Controlling Board, the contract period is expected to run from approximately January 1, 2008 through June 30, 2009, with a renewal contract to be in effect, contingent upon satisfactory performance, continued availability of funding, and all required approvals, from July 1, 2008 through June 30, 2009. Since state law prohibits ODJFS from making financial commitments beyond the fiscal biennium (e.g., 7/01/07 through 6/30/09), the contract with the selected vendor will be subject to renewal for the final (7/1/08 through 6/30/09) period of the project. Renewal may be subject to approval by the Controlling Board.

1.7 Internet Question & Answer Period; RFP Clarification Opportunity

Potential vendors may ask clarifying questions regarding this RFP via the Internet during the Q&A Period as outlined in Section 1.6, Anticipated Procurement Timetable. To ask a question, potential vendors must use the following Internet process:

- * **Access the ODJFS Web Page at <http://jfs.ohio.gov//>**
- * **Select “About Us” on the front page;**
- * **Select “Doing Business with ODJFS;”**
- * **Select “Requests for Proposals, Letterhead Solicitations, and Other Invitations;”**
- * **Select RFP Number [R89050268](#);**
- * **Select the “R89050268@odjfs.state.oh.us” link; and**
- * **Follow the instructions and guidelines as follows to send an e-mail question.**

Questions about this RFP must reference the relevant part of this RFP, the heading for the provision under question, and the page number of the RFP where the provision can be found. The potential vendor must also include the name of a representative of the potential vendor, the company name and business phone number. ODJFS may, at its option, disregard any questions which do not appropriately reference an RFP provision or location, or which do not include an identification for the originator of the question. ODJFS will not respond to any questions submitted after **10:00 a.m.** on the date the Q&A period closes.

ODJFS responses to all questions asked via the Internet will be posted on the Internet website dedicated to this RFP, for reference by all potential vendors. Potential vendors will not receive personalized or individual e-mail responses. Clarifying questions asked and ODJFS responses to them comprise the “ODJFS Q&A Document” for this RFP. If possible, ODJFS will post an interim Q&A Document, without identifying the vendors asking questions, as well as the final version (in which all vendors that posed questions will be identified). ODJFS strongly encourages vendors to ask questions as early as possible in the Q&A period so that interim answers can be posted with sufficient time for the possibility of vendors’ follow-up questions.

Vendor proposals in response to this RFP are to take into account any information communicated by ODJFS in the Final Q&A Document for the RFP. **It is the responsibility of all potential vendors to check this site on a regular basis for responses to questions, as well as for any amendments or other pertinent information regarding this RFP.**

Accessibility to the ODJFS Q&A Document will be clearly identified on the website dedicated to this RFP, once that document is made available.

IMPORTANT: Requests from potential vendors for copies of previous RFPs, past vendor proposals, score sheets or contracts for this or similar past projects, are Public Records Requests (PRRs), and are not clarification questions regarding the present RFP. PRRs submitted in accordance with directions provided in Section 1.9, Communication Prohibitions, will be honored. The posted time frames for ODJFS responses to Internet questions for RFP clarification do not apply to PRRs.

Vendors are to base their RFP responses, and the details and costs of their proposed projects, on the requirements and performance expectations established in this RFP for the future contract, NOT on details of any current or past related contract. Requirements under a current project may or may not be required by ODJFS under any future contract, and so may not be useful information for vendors who choose to respond to the RFP. If vendors ask questions about existing or past contracts using the Internet Q&A process, ODJFS will use its discretion in deciding whether to provide answers. Interested vendors should also refer to RFP Section 1.10, Time Frames and Funding Available, for related information.

There is an established time period for the Vendor Q&A process (see Section 1.6, Anticipated Procurement Timetable, above). ODJFS will only answer those questions submitted within the stated time frame for submission of vendor questions, and which pertain to issues of RFP clarity, and which are not requests for public information. ODJFS is under no obligation to acknowledge questions submitted through the Q&A process if those questions are not in accordance with these instructions.

* Should vendors experience technical difficulties accessing either the ODJFS website where the RFP and its related documents are published, they may contact the ODJFS Office of Contracts and Acquisitions, RFP/RLB Unit, at (614) 728-5693 for guidance.

1.8 Vendors' Library

ODJFS recognizes that vendors may not be familiar with some of the documents referenced in this RFP. ODJFS has created a Vendor's Library which vendors may review in efforts to better understand this project.

The contents of the Vendor's Library include the following:

(Appendix 11) Chart of Accounts, Appendix A of OAC Rule 5101:3-3-20.1:

- Supplement to cost report providing guidance on appropriate reporting of cost and expenses by account number. Appendix 11 can be accessed at the following Internet page:

<http://onlinedocs.andersonpublishing.com/oh/lpExt.dll?f=templates&fn=main-h.htmcp=OAC>

1.9 Communication Prohibitions

From the issuance date of this RFP until an actual contract is awarded to a vendor, there may be no communications concerning the RFP between any vendor that expects to submit a proposal and any employee of ODJFS in the issuing office, or any other ODJFS employee, or any other individual regardless of their employment status, who is in any way involved in the development of the RFP or the selection of the contractor.

The only exceptions to this prohibition are as follows:

1. Communications conducted pursuant to Section 1.7, Internet Q&A Period;
2. As necessary in any pre-existing or on-going business relationship between ODJFS and any vendor that could submit a proposal in response to this RFP;
3. As part of any vendor interview process or proposal clarification process initiated by ODJFS, which ODJFS deems necessary in order to make a final selection;
4. If it becomes necessary to revise any part of this RFP, ODJFS will post those revisions, amendments, etc., to the website dedicated to this RFP;* and
5. Any Public Records Request (PRR) made through the ODJFS Office of Legal Services.

* **Important Note:** Amendments to the RFP or to any documents related to it will be accessible to interested vendors through the original web page established for the RFP. All interested vendors must refer to that web page regularly for amendments or other announcements. ODJFS may not specifically notify any vendor of changes or announcements related to this RFP except through the website posting. It is the affirmative responsibility of interested vendors to be aware of and to fully respond to all updated information posted on this web page.

ODJFS is not responsible for the accuracy of any information regarding this RFP that was obtained or gathered through a source other than the Q&A process described in this RFP. Any attempts at prohibited communications by vendors may result in the disqualification of those vendors' proposals.

1.10 Time Frames & Funding Source

ODJFS is seeking to contract with a vendor to perform auditing services from November 1, 2007 to June 30, 2009, with a renewal contract to be in effect, contingent upon satisfactory performance, continued availability of funding, and all required approvals, from July 1, 2008 through June 30, 2009. State law prohibits ODJFS from making financial commitments beyond the fiscal biennium (e.g., 7/01/07 through 6/30/09). Renewal is contingent upon the availability of funding and satisfactory performance by vendor, and is subject to approval by the Controlling Board.

Potential vendors are to be aware that ODJFS may, at its sole discretion, negotiate with all technically qualifying vendors for a revised cost proposal if the cost proposals of all technically qualifying vendors are in excess of the available funding for this project. Section V., 5.1 C. of this RFP establishes further information on ODJFS procedures to be implemented if this occurs.

SECTION II. VENDOR EXPERIENCE AND QUALIFICATIONS

2.1 Vendor Qualifications

Interested vendors who submit technical proposals must demonstrate the following qualifications of the organization and the staff to be assigned to these engagements. The vendor's proposal must specify an approach to the engagements that will meet the RFP requirements.

Vendors' proposals must demonstrate to what degree the vendor and its staff meet the following qualifications and organizational and staff experience and capabilities requirements:

A. Mandatory Vendor Experience and Capabilities

In order to be considered for the contract expected to result from this RFP, ODJFS requires that interested vendors **must** meet, at minimum, **all** the following qualification requirements:

1. All assigned key professional staff must be properly certified as a Independent Public Accountant (IPA).
2. All assigned key professional staff have undergone or have scheduled to undergo an external quality peer review; independent of the Medicaid providers submitting the cost reports to be examined in accordance with ORC 51111.27;
3. Technical management support staff must have a minimum two (2) years experience performing engagements of similar nature and scope for Medicare and/or Medicaid compliance; and
4. Technical support staff must work on a full-time basis (no less than 8 hours per work day, within the hours of 7 a.m. to 6 p.m., Monday through Friday) for duration of the resulting contract(s).

B. Required Vendor Qualifications and Experience

1. Vendor Background

Additionally, interested vendors are to provide the following information:

- a. Size of the vendor's organization;
- b. Number and nature of the professional staff to be employed in these engagements on a full-time and part-time basis;
- c. Location of the primary office from which the work on these engagements is to be performed;
- d. Qualifications of the IPA vendor. If the vendor proposes to use a subcontractor(s), each subcontractor should be separately identified and qualifications provided (as specified in this section). The vendor which submits the proposal will be considered the prime contractor by ODJFS and will be responsible for managing the services, participation and contractual compliance of any and all subcontractor(s) (See Section 3.9, Subcontractor Identification and Participation Information);
- e. Results of any federal or state desk reviews or field reviews of its audits during the past three (3) years;

- f. Circumstances and status of any disciplinary action taken or pending against the vendor during the past three (3) years with the state regulatory bodies or professional organizations, if applicable. If disciplinary action(s) have not been taken or are not pending against the vendor during the past three (3) years, the vendor shall provide a statement to this effect. **The vendor shall provide full disclosure of any such actions and, upon review, may be disqualified at the discretion of ODJFS;**
- g. Provide a statement in a separate paragraph identifying any providers listed on **Appendix 10—Audit Listing of Long Term Care Facilities** from which the vendor is not independent as defined by ORC 5111.27; and
- h. List and describe the vendor’s professional relationships, if any, involving the Medicaid providers enumerated in **Appendix 10—Audit Listing of Long Term Care Facilities** or by any of its affiliates for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the requested services.

Renewal is contingent upon the availability of funds and satisfactory performance by the vendor, and is subject to approval by the Controlling Board.

2. **Health Care Experience**

- a. List separately all significant engagements performed within the last five (5) years that are similar to the engagements (full and limited-scope audits), ranked on the basis of highest to lowest total staff hours, for engagements with Medicare or Medicaid providers. For each engagement, the vendor should indicate the scope of work, date, duration, engagement partners, total hours, and the location of the vendor’s office from which the engagement was performed; and

C. **Staff Experience and Capabilities**

The vendor must demonstrate significant expertise by assigning staff to key leadership roles for this project, specifically:

- 1. Identify the principal management and supervisory staff, including engagement partners, managers, seniors and specialists, who would be assigned to the engagements. The vendor shall provide information on the auditing experience of each person, including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this engagement;
- 2. Provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. The vendor should also indicate how the quality of staff over the term of the agreement will be assured; and

3. Indicate the extent of on-site supervision which will be provided by staff with Medicaid audit experience.
4. Engagement partners, managers, supervisory staff and specialists may be changed if those personnel leave the vendor, are promoted or assigned to another office. Personnel named in the proposal may otherwise only be changed with the express written permission of ODJFS, which retains the right to approve or reject **all** replacements.

Other personnel may be changed at the discretion of the vendor provided that replacements have substantially the same or better qualifications or experience.

SECTION III. SCOPE OF WORK & SPECIFICATIONS OF DELIVERABLES

3.1 Scope of Work

The objective of the contracts resulting from this RFP is to provide ODJFS with the resources necessary to issue the statutory audit reports for cost reports and paid claims of long term care facilities located in the state of Ohio and certified as providers under the Medicaid program.

ODJFS is soliciting the services of vendors to perform Agreed-Upon Procedures engagements with respect to ODJFS 2524 Medicaid cost reports, described in this Section, below, filed with ODJFS pursuant to ORC 5111.26 for CY 2003. These engagements are to be performed in accordance with the provisions contained in this RFP and AT Section 600 of the AICPA (American Institute of Certified Public Accountants) Codification of Statements on Standards for Attestation Engagements. The proposed procedures are set forth in **Appendix 2—Limited-Scope Audit Work Program and Appendix 8—Full-Scope Audit Work Program**, of this RFP.

The agreed-upon procedures may be the subject of immaterial changes prior to the commencement of specific engagements. **An IPA may at any time propose alterations in the agreed-upon procedures for consideration by ODJFS at any time that they conclude that a specified procedure is unnecessary to achieve its objective or ineffective in achieving its objective. The determination of whether the procedure is to be changed rests solely with ODJFS.**

Audit working papers developed during the engagement must be legible and in sufficient detail to support the work performed and all findings. Working papers must indicate a purpose and identify the source of the information or documentation received. Conclusions must be clearly explained, well documented, and include the specific citation that serves as the legal authority for any adjustments.

A. Audit Requirements

Audit findings will be brought to the provider's attention as they are discovered during the course of the audit and in total prior to the exit conference. An exit conference is to be conducted with the provider upon completion of the audit work. At the discretion of the Contract Manager, the requirement for an exit conference may be waived or authorization may be made to conduct the exit conference using other means, such as a telephone conference, fax, mail, or some combination thereof. Where an exit conference is held, any additional documentation furnished by the

provider at the exit conference shall be evaluated by the vendor and the evaluation noted in the audit working papers. A memorandum to the working papers shall indicate the date and location of the exit conference, who was in attendance, and summarize the issues discussed, including the provider's position on them.

B. Engagement Process

The reviews of ODJFS 2524s fall into two categories: 1) limited-scope audits and 2) full-scope audits. **Although limited-scope audits have been performed off-site, using records mailed in by providers, providers are under no legal obligation to provide these records other than at an appropriate site within the State of Ohio. Therefore, it may be necessary to perform such audits on-site. This determination and the necessary arrangements are the responsibility of the successful bidders.**

It is an objective of ODJFS to provide for appropriate audit coverage of the ODJFS 2524 Medicaid cost reports with minimal disruption of the normal business affairs of the providers and their financial staff, including public accounting firms with custody of records.

ODJFS intends to give advance notice to the providers of their selection to be audited by an IPA on behalf of ODJFS in advance of the award process. Potential vendors are encouraged to plan and provide for as much advance notice to providers of any requests for documentation or the commencement of on-site work as is practicable.

Certain materials used in the performance of these audits, including the cost report, an ODJFS risk analysis profile for the cost report and Medicaid LTC billings are provided by ODJFS in an audit pack. Additional materials are maintained by, and available from the provider.

C. Nature of Providers and Cost Reports

Long term care facilities which are certified Medicaid providers with ODJFS include both NFs and ICF-MRs. These facilities provide long term care to qualified Medicaid recipients and file an annual cost report with ODJFS. The annual cost reports are audited to support the rates used to compensate the providers for their services.

The cost report, ODJFS 2524, is required to be filed annually for each calendar year by the following March 31. Cost reports are selected for audit by the ODJFS-BLTCF. The ODJFS 2524 consists of the following schedules and worksheets:

- | | | |
|----|--------------------|--|
| 1. | Schedule A, Page 1 | Identification and Statistical Data |
| 2. | Schedule A, Page 2 | Certification by Officer of Provider |
| 3. | Schedule A-1 | Summary of Inpatient Days |
| A. | Schedule A-2 | Determination of Medicare Part B Costs to Offset |
| A. | Schedule A-3 | Summary of Costs |
| A. | Schedule B-1 | Other Protected Costs |
| A. | Schedule B-2 | Direct Care Cost Center |
| A. | Schedule C | Indirect Care Cost Center |
| A. | Schedule C-1 | Administrator's Compensation |

A.	Schedule C-2	Owners/Relatives' Compensation
A.	Schedule C-3	Cost of Services from Related Organizations
A.	Schedule D	Capital Cost Center
A.	Schedule D-1	Analysis of Property, Plant and Equipment
A.	Schedule D-2	Capital Additions and/or Deletions
A.	Schedule E	Balance Sheet
A.	Schedule E-1	Return on Equity Capital of Proprietary Providers
A.	Attachment 1	Revenue Trial Balance
A.	Attachment 2	Adjustment to Trial Balance
A.	Attachment 3	Medicaid Cost Report Supplement Information
A.	Attachment 4	Paid Non-Medicaid Leave Days
A.	Attachment 5	Nurse Aide Training Statistical Information
A.	Attachment 6	Wage and Hours Survey
A.	Attachment 7	Addendum for Disputed Costs

D. Medicaid LTC Billings

Pursuant to OAC Rules 5101:3-3-39 and 5101:3-3-39.1 providers will submit to ODJFS-BLTCF claims for Long Term Care services provided to eligible Medicaid residents. A detail claims report will be provided identifying payments made to the provider for individual Medicaid residents on a fiscal year payment basis.

E. Records Access

Long term care Medicaid providers are required by ORC 5111 to maintain and provide to ODJFS or its designee financial and statistical records for audit purposes. Failure to provide such records within sixty (60) days of a request will subject a provider to statutory penalties. While ODJFS will notify providers of the pending audit and the need to have their records available, it will be the responsibility of the selected vendor to contact the provider and make arrangements to obtain the records for audit. A form letter for the request of the records will be provided by ODJFS.

In the event that the selected vendor is unable, after a reasonable effort, to make the necessary arrangements for performance of the engagement, the vendor shall notify ODJFS, which will provide reasonable assistance in obtaining the records in question. If such continued efforts are unsuccessful, ODJFS may cancel the engagement and, at its option, invoke statutory penalties against the provider. Under such circumstances the selected vendor shall be paid at the average hourly rate specified in their proposal for the productive hours actually worked, in the sole judgment of ODJFS, from the time the engagement was assigned by ODJFS to the vendor, to the time that the selected vendor knew, or reasonably should have known, that the engagement was suspended or canceled, not to exceed the maximum number of hours per engagement specified in the vendor's proposal. Such compensation will be made in full satisfaction of all claims against ODJFS for services performed on that engagement.

F. Suspension of Audits

ODJFS may determine during the course of a contract entered into as a result of this RFP that performance of audit work with regard to a provider listed in **Appendix 10—Audit Listing of Long Term Care Facilities** is no longer needed, due to

bankruptcy, change of ownership or other cause. Upon written notice to the selected vendor by ODJFS that such audit work is not needed, ODJFS may cancel the engagement. Under such circumstances the selected vendor shall be paid at the average hourly rate specified in their proposal for the productive hours actually worked, in the sole judgment of ODJFS, from the time the engagement was assigned to the vendor, to the time that the selected vendor knew, or reasonably should have known, that the engagement was suspended or canceled, not to exceed the maximum number of hours per engagement specified in the vendor's proposal. In such situations, the compensation made in this way is in full satisfaction of all claims against ODJFS for services performed on that engagement.

G. Provider's Assistance

The engagements in question are statutory audits designed to monitor the claimed costs of providers. Although the providers are required to provide records as requested and are generally professional in doing so, their active participation in the engagement process is limited to responses to inquiries from the auditor. Significant assistance from providers should not be anticipated in the course of the engagement.

H. Availability of Prior Audit Reports and Working Papers

Due to random selection of providers to be audited, the prior year's cost report for a particular provider may not have been audited. Vendors may inquire of ODJFS as to the availability of prior years audits and every effort will be made to make the audit reports and working papers available to the selected vendor for review in the audit planning process. All inquiries or requests for access to prior year audit materials should be made to the ODJFS Contract Manager.

I. Assistance Provided to the IPA and Report Preparation

ODJFS will provide one day of training to all vendors contracting with ODJFS to perform the engagements with regard to long term care providers. During the course of the contract, additional training sessions may be presented if any program or audit requirement changes or IPA contractor staffing changes raise the need for additional training. **This training is mandatory for all professional personnel in order to perform audit work included in the contract. Attendance by the staff at no cost to ODJFS is a requirement of the contract.** ODJFS will make every effort to schedule the training at a time and location which is mutually agreeable.

Off-site (telephone) assistance will be provided by ODJFS audit personnel to vendors contracting with ODJFS to perform the engagements. On-site assistance may be available on a limited basis at the discretion of ODJFS.

J. Review of Work Product, Working Paper Access and Retention

The ODJFS Quality Assurance section will generally perform a review of all deliverables. These reviews may take up to thirty (30) days from receipt of the materials from the vendor. At the conclusion of the reviews, notification of the results will be sent to the vendor regarding completion and submission of an

acceptable product. ODJFS reserves the right to delay approval of the deliverable and its payment when the audit is not performed in accordance with the required professional standards and the terms of the contract. Notice will be given to the vendor of the corrective action needed for approval of the deliverable.

Should review of deliverables indicate performance under this agreement is not in accordance with applicable professional standards and the terms of the contract, ODJFS, in its sole judgment, may require performance of additional work pertaining to the deliverables by the vendor as a precondition to payment in accordance with the fee provisions incorporated within the contract as originally endorsed by the parties thereto.

The deliverables submitted to ODJFS at the completion of the engagement shall become the unrestricted property of ODJFS for use in exit conferences, proposed adjudications, administrative hearings pursuant to ORC 119, and the administration of the Medicaid program. All deliverables will be made available to ODJFS unconditionally and copies must be retained by the vendor at the vendor's expense, for a minimum of three (3) years from the date of approval of the work product, unless the vendor is notified in writing by ODJFS of the need to extend the retention period. Nothing in this paragraph shall preclude the vendor from retaining a copy of the audit report and working papers for their records.

The contractor must provide ODJFS with written notice of any independent issues or professional relationships as described in this section as they may relate to any of the newly listed providers as each new listing of Medicaid providers to be audited becomes available. The contractor must also provide ODJFS written notice of any professional relationships entered into during the period of the resulting agreement, relative to parties connected to this proposed engagement.

3.2 Administrative Structures—Proposed Work Plan

Vendors are to include, at minimum, the following administrative structures and technical approach for the proposed work plan. The vendor shall:

Provide the following information in sufficient detail to present the scope and audit approach for the engagements listed in **Appendix 10, Audit Listing of Long Term Care Facilities**. Vendors shall:

- A. Indicate the scope of work, engagement timetable, total budgeted hours and reports to be issued.
- B. Provide a work plan, including an explanation of the engagement methodology to be followed, to perform the services required in Section III of this RFP.
- C. Provide the following information on their engagement approach:
 - 1. Proposed scheduling of the engagements; and
 - 2. Level of staff to be assigned to each engagement.

- D. Indicate the extent to which the IPA will be able to provide delivery of required deliverables throughout the engagement period and avoid a situation under which a significant proportion of completed deliverables will be delivered at the last minute.
- E. This RFP is intended to result in the award of multiple contracts for the performance of approximately 400 engagements. It is necessary that ODJFS ensures that a single vendor does not undertake to perform engagements in excess of their stated capacity in terms of staff resources. For this reason, the proposal must include a letter from the vendor stating the number of total engagements which the vendor has the capacity to provide pursuant to this RFP. This statement should be in the following language:
- F. **[Vendor name]** has the capacity to provide a total of **[insert amount]** limited-scope and/or **[insert amount]** full-scope audit engagements of cost reports under RFP#: R-89-05-0268 issued by ODJFS.
- G. Provide a status reporting procedure for reporting work completed, and resolution of unanticipated problems. The vendor should identify and describe any anticipated problem(s) and their approach and reasons for resolving the problem.
- H. Provide a status reporting procedure for reporting work completed, and resolution of unanticipated problems;
- I. Provide a Table of Organization (including any subcontractors) and a chart showing the number of hours devoted to the project by vendor or sub-contractor staff. The vendor must provide the percentage of time each key management person will devote to the project.

3.3 Specifications of Deliverables

The contracted services shall include, but not limited to, the following areas:

- A. Provide ODJFS with an independent accountant's report on applying agreed-upon procedures consistent with AT Sections 600.33-600.38 of the AICPA Codification of Statements on Standards for Attestation Engagements following completion of each engagement under the contract. A sample of such a report is attached as **Appendix 11—Independent Accountant's Report on Applying Agreed-Upon Procedures**. Preparation, editing and printing of all deliverables shall be the responsibility of the selected vendor(s).
- B. Prepare and submit to ODJFS a completed **Audit Report Input Document 1 (Appendix 15)**, including **Proposed Cost of Adjustments Sheet(s) (Appendix 16)**, (which include the adjustment, adjustment reason code, and recipient dates of service) and if applicable, an **ODJFS Equity Memo (Appendix 17)** for each engagement. The deliverables under the contract may be the subject of immaterial changes prior to the commencement of specific engagements at no further cost to ODJFS; and

- C. Issue the required reports and provide one (1) copy of the engagement working papers on a bookmarked CD-ROM and one (1) copy of the report with copies of audit working papers supporting the schedule of adjustments and all other required deliverables to the ODJFS Contract Manager as indicated in Section 1.7 upon completion of each engagement.

SECTION IV. CONDITIONS AND OTHER REQUIREMENTS

Through this section of the RFP, ODJFS notifies vendors seeking award of a contract of certain conditions and requirements which may affect their eligibility or willingness to participate in any procurement (RFP, RLB, etc.) process; or their eligibility to be awarded a contract; and of requirements that would be in effect should they be awarded a contract.

4.1 State Contracts

Proposals must list any current contracts the vendor has with State of Ohio agencies. The list must indicate the purpose of the contract, the amount of the contract, the time period covered by the contract, and the percentage of the project completed. Vendors must complete a copy of the Required Vendor Information and Certifications Document (provided as **Attachment A.**) to report this information and include the completed document in the vendor's proposal as specified in **Section 5.2 B., 1** of this RFP.

4.2 Interview

Vendors submitting proposals may be required to participate in an in-depth interview as part of the evaluation process. The interview, if necessary, may include participants from ODJFS and/or other state or county agency staff or other representatives it may appoint, as appropriate. ODJFS reserves the right to select from responding vendors for interviews and may not interview all vendors submitting proposals. The vendor shall bear all costs of any scheduled interview.

4.3 Start Work Date

The selected vendor must be able to begin work no later than seven (7) working days after the time funds are encumbered and approved by the Office of Budget & Management. The selected vendor will be notified by the ODJFS project manager when work may begin. **Any work begun by the vendor prior to this notification will NOT be reimbursable by ODJFS.**

4.4 Proposal Costs

Costs incurred in the preparation of this proposal are to be borne by the vendor, and ODJFS will not contribute in any way to the costs of the preparation. Any costs associated with interviews will be borne by the vendor and will not be ODJFS' responsibility (see Section 4.2, above).

4.5 Trade Secrets Prohibition; Public Information Disclaimer

Vendors are prohibited from including any trade secret information as defined in ORC 1333.61 in their proposals in response to any ODJFS RFP, RLB or other procurement efforts. ODJFS shall consider all proposals voluntarily submitted in response to any ODJFS RFP (or etc.) to be free of trade secrets and such proposals shall, in their entirety, be made a part of the public record.

All proposals and any other documents submitted to ODJFS in response to this RFP shall become the property of ODJFS. This RFP and, after formal announcement by ODJFS of the results of this RFP project (e.g., notices provided to responding vendors regarding vendor selection, notice of project cancellation, etc.), any proposals submitted in response to the RFP are deemed to be public records pursuant to R.C. 149.43. For purposes of this section, “proposal” shall mean both the technical and the cost proposals (if opened by ODJFS) submitted by the vendor, any attachments, addenda, appendices, or sample products.

Any proposals submitted in response to this or any ODJFS RFP which make claims of trade secret information shall be disqualified from consideration immediately upon determination that such unallowable claim has been made.

4.6 Contractual Requirements

- A. Any contract resulting from the issuance of this RFP is subject to the terms and conditions as provided in the model contract, which is included as **Attachment D.** of this RFP;
- B. Many of the terms and conditions contained in the model contract (See **Attachment D.**) are required by state and federal law; however, the vendor may propose changes to the model contract by annotating the model, and returning it with the vendor’s proposal submission. Any changes are subject to ODJFS review and approval;
- C. Payments for any and all services provided pursuant to the contract are contingent upon the availability of state and federal funds;
- D. All aspects of the contract apply equally to work performed by any and all subcontractors;
- E. The contractor, and any subcontractor(s), will not use or disclose any information made available to them for any purpose other than to fulfill the contractual duties specified in the RFP. The contractor, and any subcontractor(s), agrees to be bound by the same standards of confidentiality that apply to the employees of ODJFS and the State of Ohio. Any violation of confidentiality will result in an immediate termination of the contract, and may result in legal action;
- F. As a condition of receiving a contract from ODJFS, the contractor, and any subcontractor(s), shall certify compliance with any court order for the withholding of child support which is issued pursuant to Section 3113.217 of the ORC. The contractor, and any subcontractor(s), must also agree to cooperate with ODJFS and any Ohio Child Support Enforcement Agency in ensuring that the contractor or employees of the contractor meet child support obligations established under state law;

- G. By signing a contract with ODJFS, a vendor agrees that all necessary insurance is in effect; and
- H. The selected contractor shall be required to comply with prevailing wage standards, as established in ORC 4115.03 to 4115.16.

4.7 Travel Reimbursement

Travel should be folded into the overhead, per diem, or the hourly rates which are built into the cost of the deliverables. Travel is not to be listed separately unless otherwise specified in Section 5.2 B, 5. of this RFP.

4.8 Minority Business Enterprise

ODJFS is required by Section 125.081(B) and 123.151 of the ORC to award fifteen percent (15%) of its total procurements to vendors certified as Minority Business Enterprises (MBE). Ohio certified MBE is defined in ORC Section 122.71. If the proposal is not submitted by a certified MBE, the vendor is strongly encouraged to subcontract a minimum of fifteen percent (15%) of the total contract price to an Ohio certified MBE.

The proposal must clearly indicate the name of the proposed Ohio MBE vendor and the exact nature of the work to be performed under the proposed subcontract. The proposal must include a letter from the proposed MBE, signed by a person authorized to legally bind the subcontractor, indicating the following:

1. The subcontractor's legal status, federal tax ID number, and principle business address;
2. The name, phone number, and fax number of a person who is authorized to legally bind the subcontractor to contractual obligations;
3. A complete description of the work the subcontractor will do;
4. A commitment to do the work, if the vendor is selected;
5. A statement that the subcontractor has and understands the RFP, the nature of the work, and the requirements of the RFP; and
6. A copy of the Ohio MBE certificate.

There may be no dollar amounts of any kind included with the MBE information; inclusion of dollar amounts will result in the disqualification of the primary vendor's entire proposal.

A listing of Ohio certified MBEs can be accessed through the Ohio Department of Administrative Services (DAS) Web Site at: <http://das.ohio.gov/Eod/MBESearch/index.asp> .

While ODJFS strongly encourages the use of MBE subcontractors, the vendor's use of an MBE subcontractor will have no effect on vendors' technical scores or on final contractor selection for this RFP, **unless** Section VI, Criteria for Proposal Evaluation and Selection of this RFP (and/or the Proposal Score Sheet for this RFP) affirmatively establish an MBE participation criterion.

4.9 Subcontractor Identification and Participation Information

Any vendors proposing to use a subcontractor for any part of the work described in this RFP must clearly identify the subcontractor(s) and their tasks in their proposals. The proposal must include a letter from the proposed subcontractor(s), signed by a person authorized to legally bind the subcontractor, indicating the following:

1. The subcontractor's legal status, federal tax ID number, and principle business address;
2. The name, phone number, and fax number of a person who is authorized to legally bind the subcontractor to contractual obligations;
3. A complete description of the work the subcontractor will do;
4. A commitment to do the work, if the vendor is selected;
5. A statement that the subcontractor has read and understands the RFP, the nature of the work, and the requirements of the RFP.

There may be no dollar amounts of any kind included with sub-contractor information; inclusion of dollar amounts will result in the disqualification of the primary vendor's entire proposal.

4.10 Public Release of Records

Public release of any evaluation or monitoring reports funded under this agreement will be made only by ODJFS. Prior to public release of such reports, ODJFS must have at least a 30-day period for review and comment.

4.11 Confidentiality

All contracts will require that the contractor maintain the confidentiality of information and records which state and federal laws, rules, and regulations require to be kept confidential.

4.12 Key Personnel

ODJFS will require a clause in the resulting contract regarding key personnel in that any person identified as critical to the success of the project may not be removed without reasonable notice to ODJFS, and replacements will not be made without ODJFS approval.

4.13 Ethical & Conflict of Interest Requirements

- A. No contractor or individual, company or organization seeking a contract shall promise or give to any ODJFS employee anything of value that is of such character as to manifest a substantial and improper influence upon the employee with respect to his or her duties;
- B. No contractor or individual, company or organization seeking a contract shall solicit any ODJFS employee to violate any of the conduct requirements for employees;

- C. Any contractor acting on behalf of ODJFS shall refrain from activities which could result in violations of ethics and/or conflicts of interest. Any contractor or potential contractor who violates the requirements and prohibitions defined here or of Section 102.04 of the ORC is subject to termination of the contract or refusal by ODJFS to enter into a contract; and
- D. ODJFS employees and contractors who violate Sections 102.03, 102.04 2921.42 or 2921.43 of the ORC may be prosecuted for criminal violations.

4.14 Health Insurance Portability & Accessibility Act (HIPAA) Requirements

As a condition of receiving a contract from ODJFS, the contractor, and any subcontractor(s), will be required to comply with 42 U.S.C. Sections 1320d through 1320d-8, and to implement regulations at 45 C.F.R. Section 164.502 (e) and Sections 164.504 (e) regarding disclosure of protected health information under the Health Insurance Portability and Accountability Act (HIPAA) of 1996. Protected Health Information (PHI) is information received by the contractor from or on behalf of ODJFS that meets the definition of PHI as defined by HIPAA and the regulations promulgated by the United States Department of Health & Human Services, specifically 45 CFR 164.501 and any amendments thereto. The selected vendor can reasonably anticipate HIPAA language in the contract that results from this RFP.

In the event of a material breach of contractor obligations under this section, ODJFS may at its option terminate the contract according to provisions within the contract for termination.

4.15 Waiver of Minor Proposal Errors

ODJFS may, at its sole discretion, waive minor errors or omissions in vendors' proposals when those errors do not unreasonably obscure the meaning of the content.

4.16 Proposal Clarifications

ODJFS reserves the right to request clarifications from vendors of any information in their Proposals, and may request such clarification as it deems necessary at any point in the proposal review process.

4.17 Contractual Requirements and Prevailing Wage Requirements

Any contract resulting from the issuance of this solicitation is subject to the terms and conditions as provided in the model contract, which is provided as **Attachment D.** to this RFP. Potential vendors are strongly encouraged to read the model contract and to be fully aware of ODJFS' contractual requirements. Additionally, the selected contractor will be required to comply with prevailing wage standards, as established in ORC 4115.03-4115.16.

4.18 Unresolved Findings for Recovery (R.C. 9.24)

ORC Section 9.24 prohibits ODJFS from awarding a contract to any entity against whom the Auditor of State has issued a finding for recovery, if the finding for recovery is "unresolved" at the time of award. By submitting a proposal, the vendor warrants that it is not now, and will not become, subject to an "unresolved" finding for recovery under R.C. 9.24 prior to the award of any

contract arising out of this RFP, without notifying ODJFS of such finding. ODJFS will review the Auditor of State's website prior to completion of evaluations of proposals submitted pursuant to this RFP. ODJFS will not evaluate a proposal from any vendor whose name, or the name of any of the subcontractors proposed by the vendor, appears on the website of the Auditor of the State of Ohio as having an "unresolved" finding for recovery.

4.19 Mandatory Contract Performance Disclosure

Each proposal must disclose whether the vendor's performance, or the performance of any of the proposed subcontractor(s), under contracts for the provision of services that are the same or similar to those to be provided for the project which is the subject of this RFP has resulted in any "formal claims" for breach of those contracts. For purposes of this disclosure, "formal claims" means any claims for breach that have been filed as a lawsuit in any court, submitted for arbitration (whether voluntary or involuntary, binding or not), or assigned to mediation. If any such claims are disclosed, vendor shall fully explain the details of those claims, including the allegations regarding all alleged breaches, any written or legal action resulting from those allegations, and the results of any litigation, arbitration or mediation regarding those claims, including terms of any settlement. While disclosure of any formal claims in response to this section will not automatically disqualify a vendor from consideration, at the sole discretion of ODJFS, such claims and a review of the background details may result in a rejection of the vendor's proposal. ODJFS will make this decision based on its determination of the seriousness of the claims, the potential impact that the behavior that led to the claims could have on the vendor's performance of the work, and the best interests of ODJFS.

4.20 Mandatory Disclosures of Governmental Investigations

Each proposal must indicate whether the vendor and any of the proposed subcontractor(s) has been the subject of any adverse regulatory or adverse administrative governmental action (federal, state, or local) with respect to vendor's performance of services similar to those described in this RFP. If any such instances are disclosed, vendor must fully explain, in detail, the nature of the governmental action, the allegations that led to the governmental action, and the results of the governmental action including any legal action that was taken against vendor by the governmental agency. While disclosure of any governmental action in response to this section will not automatically disqualify a vendor from consideration, such governmental action and a review of the background details may result in a rejection of the vendor's proposal at the sole discretion of ODJFS. The decision by ODJFS on this issue will be based on a determination of the seriousness of the matter, the matter's potential impact on the vendor's performance of the work, and the best interests of ODJFS.

4.21 Mandatory Disclosures of Work Location

Proposals must explicitly state the location(s) (city, state/province, country) where work described in this RFP would be performed, whether by the vendor or by any subcontractors.

4.22 Vendor Selection Restriction

Any vendor deemed not responsible, or submitting a proposal deemed not to be responsive to the terms of this RFP, shall not be awarded the resulting contract.

4.23 Declaration of Material Assistance Requirements

Any vendor responding to any ODJFS RFP, RLB, or any other procurement opportunity is required to provide certification that the vendor has not provided material support or resources to any organization listed on the "Terrorist Exclusion List" (TEL) maintained by the U.S. Department of State. The Declaration of Material Assistance Form, provided as **Attachment C**, to this RFP, must be printed, completed, and signed by the interested vendor's authorized representative, and returned to ODJFS as a component of the vendor technical proposal/bid. Failure to properly complete the form or to provide it as part of the proposal submitted to ODJFS may result in the disqualification of the vendor's proposal from consideration. Vendors may access the TEL from the Ohio Homeland Security Office website, located at www.homelandsecurity.ohio.gov.dma.asp or via e-mail to dma-info@dps.state.oh.us for the current list of excluded organizations and additional information.

SECTION V. PROPOSAL FORMAT & SUBMISSION

5.1 Proposal Submission Information

ODJFS requires proposal submissions in both paper and electronic format. The proposal must be prepared and submitted in accordance with instructions found in this Section. The proposal submission must be comprised of:

- **Five paper copies (one signed original and four copies) and one CD-ROM copy of the Proposal Packet;**

The vendors' total proposal submissions (the original proposal packet and all required copies) must be received by ODJFS complete no later than **3:00 p.m., local time on Friday, October 5, 2007**. Faxes or e-mailed submissions will not be accepted. **Proposals must be addressed to:**

**Office of Contracts & Acquisitions
Ohio Department of Job and Family Services
30 East Broad Street, 31st Floor
Columbus, Ohio 43215-3414
ATTN: RFP/RLB Unit**

Vendors' original proposal packets must contain all the information and documents specified in Section 5.2, "Format for Organization of the Proposal." All copies (both paper and CD-ROM) of the original proposal must include copies of ALL information, documents, and pages in the original proposal.

The CD-ROM copy of the Proposal Packet must include all components of the proposal, including any required or voluntary attachments to it. The CD-ROM must be labeled with the vendor's name, the RFP number, and the proposal submission date or proposal due-date, at minimum. The requested CD will be used by ODJFS for archiving purposes and for fulfillment of Public Records Requests, but failure to include it or to properly label it may, at ODJFS discretion, result in the rejection of the vendor from any consideration.

All proposal submissions must be received, complete, at the above address, via mail or hand delivery by the above date and time. Materials received separately from a vendor's proposal submission (*e.g.*, letters of recommendation from past customers of the vendor's services) will not be added to the proposal nor considered in the review and scoring process. Materials received after the date and time as stated above will not be included in any previous submissions, nor will they be considered. ODJFS is not responsible

for proposals incorrectly addressed or for proposals delivered to any ODJFS location other than the address specified above. No confirmation of mailed proposals can be provided.

For hand delivery on the due date, vendors are to allow sufficient time for downtown parking considerations, as well as for security checks at both the lobby of the Rhodes State Office Tower (address as stated above) and again on the 31st Floor. All proposals must be received by the due date by the Office of Contracts & Acquisitions, on the 31st Floor of the Rhodes Tower. **ODJFS is not responsible for any proposals delivered to any address other than the address provided above.**

Submission of a proposal indicates acceptance by the vendor of the conditions contained in this RFP, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between ODJFS and the vendor selected.

5.2 Format for Organization of the Proposal

A. Overall Proposal Organization

A sample Proposal Score Sheet is provided as **Attachment E.** of this RFP. **Vendors are strongly encouraged to use the Score Sheet to check their proposals for quality, compliance, and completeness prior to submission.**

The vendor's Proposal must contain the following components (organized in six (6) primary tabs and divided into sub-tabs) as described below. Any other information thought to be relevant, but not applicable to a specific RFP section number/letter must be provided as an appendix to the proposal and so marked as an additional tab. ODJFS reserves the right not to review submitted appendices which includes information/materials not required in the RFP. All pages beyond Tab 1 shall be sequentially numbered.

Vendors must organize their Proposals in the following order:

Tab 1 Required Vendor Information and Certifications Document
Request for Taxpayer Identification Number (W-9) Form
Declaration Regarding Material Assistance/Non-Assistance to a Terrorist Org.

Tab 2 Vendor Experience & Qualifications
Sub-Tab 2a. Mandatory Vendor Qualifications (Section 2.1, A through D)
Sub-Tab 2b. Staff Experience and Capabilities (Section 2.2, A through B)

Tab 3 Scope of Work and Specifications of Deliverables
Sub-Tab 3a. Deliverable A
Sub-Tab 3b. Deliverable B
Sub-Tab 3c. Deliverable C

Tab 4 Administrative Structures—Proposed Work Plan
Sub-Tab 4a.
Sub-Tab 4b.
Sub-Tab 4c.
Sub-Tab 4d.
Sub-Tab 4e.
Sub-Tab 4f.

Sub-Tab 4g.

Sub-Tab 4h.

Tab 5 Vendor Attachments or Appendices, if any.

NOTE: The Proposal must not exceed the 50 page limit and all pages must be sequentially numbered, with the exception of Tab 1 contents.

NOTE: Vendors are required to submit **one CD/DVD-ROM copy** of their technical proposal in non-rewriteable CD/DVD format. One CD/DVD-ROM is to contain the complete technical proposal including any required or voluntary attachments to it. One document may, at vendor option, be accepted from the electronic technical proposal version: the "Request for Taxpayer Identification Number (W-9) Form" (**provided as RFP Attachment B.**), which is to be signed by the vendor and submitted with the paper copies of the proposal.

B. Technical Proposal Details

The vendor's Proposal must contain the following components, at minimum. It is mandatory that vendor proposals be organized in the following order, and that wherever appropriate, sections/portions of the vendor proposal make reference by section number/letter to those RFP requirements to which they correspond.

1. (Tab 1)

Required Vendor Information & Certifications

Request for Taxpayer Identification Number (W-9) Form

Declaration Regarding Material Assistance / Non-Assistance to a Terrorist Organization.

In this section, the vendor is required to provide required information and certifications of eligibility for state contract awards, as described in **Attachment A.** to this RFP, entitled "Required Vendor Information & Certifications Document." Vendors may, at their discretion, either print **Attachment A.**, complete and sign it (in blue ink), and return it as the content of their Proposal Tab 1; or they may provide all the required information and certifications (each fully re-stated from **Attachment A.**) on their own letterhead, properly signed (in blue ink), and use that document as the content of their Proposal Tab 1. Vendors who fail to provide all information and certifications as described in **Attachment A.** in their Proposal Tab 1 risk disqualification.

The vendor must attach the **Request for Taxpayer Identification Number (W-9) Form**, which is provided as **Attachment B.** to this RFP, completed with an original signature in blue ink.

Vendors are required to provide a declaration regarding material assistance to a terrorist organization or an organization that supports terrorism as identified by the U.S. Department of State Terrorist Exclusion List and described in **Attachment C, Declaration Regarding Material Assistance/Non-Assistance to a Terrorist Organization.** Vendors MUST print **Attachment C.**, complete and sign it (in blue ink), and return it as the content of their Proposal Tab 1. Vendors who fail to provide a signed and completed **Attachment C.** risk disqualification. This form may also be accessed and printed at the Ohio Department of Public

Safety, Division of Homeland Security's Website at <http://www.homelandsecurity.ohio.gov>.

The signed originals of the above referenced forms (**RFP Attachments A., B., and C.**) are to be provided in the vendor's original proposal; photocopies of the completed and signed forms must also be provided with each of the required copies.

In the event that the vendor proposes the use of any subcontractors, information on the subcontractor(s) and letters of commitment as required by Section 4.8, Minority Business Enterprise or 4.9, Subcontractor Identification and Participation Information should also be provided **in Tab 1**.

**2. (Tab 2)
Vendor Experience & Qualifications**

a. Mandatory Vendor Qualifications (Sub-Tab 2 a.)

The vendor must include information on the mandatory experience of the vendor, as described in **Section 2.1**, of this RFP.

b. Vendor Qualifications and Experience (Sub-Tab 2 b.)

Under this section the vendor is required to include resumes, education, experience, and list of related published works of all proposed Board Members, CRB Project Manager and any additional key staff (if applicable) for this project, and describe (if applicable) any appropriate supplemental and support staff (including any subcontractors) to be involved, as described in **Section 2.2**, of this RFP.

**3. (Tab 3)
Scope of Work & Specifications of Deliverables**

This section should describe in detail how the vendor proposes to perform each task of the scope of work identified in Sections 3.1, Scope of Work and in Section 3.3, Specifications of Deliverables, of this RFP. The responses must not exceed 50 pages and address each element separately. Tabs 1, 2, 4, and 5 will not count against the mentioned page limit. Vendors should place their responses for each Deliverable identified in Section 3.3 behind separate sub-tabs as described above.

**4. (Tab 4)
Administrative Structures—Proposed Work Plan**

This section should describe in detail (in the order as outlined) the vendor's administrative structures as specified in Section 3.2, Administrative Structures—Proposed Work Plan of this RFP.

**5. (Tab 6)
Vendor Attachments or Appendices**

This section should, at a minimum, include excerpts/samples of work products described in RFP Section 2.2.

C. **Cost Proposal**

Interested vendors may bid on both full and limited-scope audits, or on either, at their discretion. One cost proposal should be prepared for full-scope audits and one cost proposal for limited-scope audits (see **Attachment C—Cost Proposal Form**). Vendors must submit **five** (one signed original and four copies) copies of their (whether full-scope and/or limited-scope) Cost Proposal(s) in a separate, sealed envelope, and labeled: **NOTE: DO NOT OPEN. COST PROPOSAL ENCLOSED FROM [VENDOR’S NAME] FOR RFP#: R-89-05-0268 AUDITS OF MEDICAID LONG TERM CARE PROVIDER COST REPORTS – FULL-SCOPE AUDITS** and/or **“NOTE: DO NOT OPEN. COST PROPOSAL ENCLOSED FROM [VENDOR’S NAME] FOR RFP #: R-89-05-0268 AUDITS OF MEDICAID LONG TERM CARE PROVIDER COST REPORTS – LIMITED-SCOPE AUDITS.”** **This instruction must be followed by vendors who choose to submit proposals for both full and limited-scope audit proposals by submitting two separate Cost Proposals.** The submitted Cost Proposals must contain the required respective Cost Proposal CD/DVD-ROM. Vendors are to provide a separate CD/DVD-ROM for each cost proposal type, whether full-scope and/or limited-scope. The above Technical Proposal must not contain costs information, or the entire proposal will be disqualified from further consideration. The Cost Proposal must include a statement that the prices quoted are firm.

NOTE: ODJFS may negotiate an actual payment schedule based on deliverables after selection of a vendor and prior to contracting.

D. **IMPORTANT – VENDOR DISQUALIFIERS FOR PROPOSAL ERRORS:**

Any trade secret, proprietary, or confidential information (as defined in Section 4.5 of this RFP) found anywhere in a vendor's proposal shall result in immediate disqualification of that vendor's proposal.

SECTION VI. CRITERIA FOR PROPOSAL EVALUATION & SELECTION

6.1 Scoring of Proposals

ODJFS will contract with a vendor that best demonstrates the ability to meet requirements as specified in this RFP. Vendors submitting a response will be evaluated based on the capacity and experience demonstrated in their Technical and Cost Proposal. All proposals will be reviewed and scored by a Proposal Review Team (PRT), comprised of staff from ODJFS Office of Research, Assessment & Accountability, Bureau of Audits (BOA) or other ODJFS staff as deemed appropriate. Vendors should not assume that the review members are familiar with their current work activities with ODJFS. Proposals containing assumptions, lack of sufficient detail, poor organization, lack of proofreading and unnecessary self-promotional claims will be evaluated accordingly. PRT members will be required to sign disclosure forms to establish that they have no personal or financial interest in the outcome of the proposal review and contractor selection process. Final selection of the vendor

will be based upon the criteria specified in Sections II., III., and IV. of this RFP. The PRT reserves the right to reject any and all proposals, in whole or in part, received in response to this request. ODJFS may waive minor defects that are not material when no prejudice will result to the rights of any vendor or to the public, and ODJFS reserves the right to seek clarifications from vendors regarding information contained in their proposals. In scoring the proposals, ODJFS will score in three phases:

A. Phase I. Review—Initial Qualifying Criteria:

In order to be fully reviewed and scored, proposals submitted must pass the following Phase I. Review. **Any “no” for the listed Phase I. criteria will eliminate a proposal from further consideration.**

1. Was the proposal received by the deadline as specified in Sections 1.5 and 5.1?
2. Did the vendor submit five (5) copies of their Technical Proposal including their respective cost proposal (with respective CD-ROMs) in a separate sealed envelope labeled: **NOTE: DO NOT OPEN. COST PROPOSAL ENCLOSED FROM [VENDOR’S NAME] FOR RFP#: R-89-05-0268 LONG TERM CARE AUDITS PROVIDER COST REPORTS – FULL-SCOPE AUDIT** and **“NOTE: DO NOT OPEN. COST PROPOSAL ENCLOSED FROM [VENDOR’S NAME] FOR RFP #: R-89-05-0268 LONG TERM CARE AUDITS PROVIDER COST REPORTS – LIMITED-SCOPE AUDITS.**
3. Does the vendor’s proposal include all required affirmative statements and certifications, signed by the vendor’s responsible representative, as described in **Attachments A., and C.** to the RFP?
4. According to those certifications, does the vendor affirmatively indicate that it is not on the federal debarment list; that there are no unfair labor findings against it; and it is not in violation of ORC Section 9.24, and therefore may enter into a contract with ODJFS?
5. Does ODJFS’ review of the Auditor of State website verify that the vendor is not excluded from contracting with ODJFS by ORC Section 9.24 for an unresolved finding for recovery (*i.e.*, the proposal of any vendor whose name appears on the Auditor’s website as having an unresolved finding for recovery will be eliminated from further consideration.)?
6. Did the vendor comply with the technical proposal page limit of 50 pages?
7. Did the vendor provide evidence that its assigned key professional staff are certified IPAs and licensed to practice in Ohio?
8. Has the vendor demonstrated that its technical management support staff has a minimum of two (2) years experience performing engagements of similar nature and scope for Medicare and/or Medicaid compliance?

B. Phase II. Review—Criteria for Scoring the Proposal:

The PRT will then score those qualifying proposals, not eliminated in Phase I. Review, by assessing how well the vendor meets the requirements as specified in Sections II, III, IV, V, and VI. of this RFP. Using the score sheet for Phase II scoring (see **Attachment E.** of this RFP for specific evaluation criteria), the PRT will read, review, discuss and reach consensus on the final technical score for each qualifying technical proposal.

A maximum of **388** points will be awarded for the Proposal. A proposal must achieve a total of at least **296** points (a score which represents that the vendor can successfully perform the resulting contractual duties) out of the possible **388** points to qualify for continued consideration. Any proposal which does not meet the minimum required proposal points will be disqualified from any further consideration.

All Phase II technical proposal evaluation criteria will be scored according to the following scale, based on a proposed plan’s ability to meet ODJFS needs. The Proposal Score Sheet (see **Attachment E.**) uses the following point values for rating each requirement.

0	6	8	10
Does Not Meet Requirement Requirement	Partially Meets	Meets Requirement	Exceeds

Technical Performance Scoring Definitions:

“Does Not Meet Requirement”- A particular RFP requirement was not addressed in the vendor’s proposal, **Score: 0**

“Partially Meets Requirement”-Vendor proposal demonstrates some attempt at meeting a particular RFP requirement, but that attempt falls below acceptable level, **Score: 6**

“Meets Requirement”-Vendor proposal fulfills a particular RFP requirement in all material respects, potentially with only minor, non-substantial deviation, **Score: 8**

“Exceeds Requirement”-Vendor proposal fulfills a particular RFP requirement in all material respects, and offers some additional level of quality in excess of ODJFS expectations, **Score: 10**

IMPORTANT: Before submitting a proposal to ODJFS in response to this RFP, vendors are strongly encouraged to use the Proposal Score Sheet (**Attachment E.**) and the above technical performance scoring information to review their proposals for completeness, compliance and quality.

All the remaining qualified Proposals will proceed to the next level of review, which is consideration of the Project Budget. Any other proposals will be disqualified from further consideration, and the corresponding Project Budgets will not be considered.

C. Phase III.—Criteria for Considering the Cost Proposals

The Cost Proposal will be reviewed by ODJFS. Each qualifying vendor’s **Total Per Engagement Fixed Fee** as stated in their Cost Proposal by the Audit Engagement

Type will be divided by that vendor's final Technical Proposal score. This compares the cost with the quality of the Technical Proposal, which will provide an average cost-per-quality point earned on the Technical Proposal per Audit Engagement Type.

If the cost proposals of all technically qualifying vendors (as determined by the scoring process described in this section and by the Technical Proposal Score Sheet, **Attachment E** to this RFP) are in excess of the available funding for this project, ODJFS may, at its sole discretion, negotiate with all technically qualifying vendors for a revised cost proposal. Vendors may then submit one last and best offer, or may request that ODJFS view its original cost proposal as its last and best offer, or may formally withdraw from further consideration, and shall formally indicate its choice according to directions provided by ODJFS at that time. Upon receipt of all last and best offers, and assuming that one or more have submitted a cost proposal that is within project budget, ODJFS will then consider those vendors' revised cost proposals which are within the budget according to the cost-point assignment process described in this section, above, and in the Technical Proposal Score Sheet, **Attachment E**, for calculation of the winning score. ODJFS reserves the right to negotiate with vendors for adjustments to their proposals should ODJFS determine, for any reason, to adjust the scope of the project for which this RFP is released.

6.2 Review Process Caveats

ODJFS may, at its sole discretion, waive minor errors or omissions in vendors' Technical and/or Project Budgets/forms when those errors do not unreasonably obscure the meaning of the content.

ODJFS reserves the right to request clarifications from vendors to any information in their Technical and/or Project Budgets/forms, and may request such clarification as it deems necessary at any point in the proposal review process. Any such requests for proposal clarification when initiated by ODJFS, and vendors' verbal or written response to those requests, shall not be considered a violation of the communication prohibitions contained in Section 1.8 of this RFP. Such communications are expressly permitted when initiated by ODJFS, but are at the sole discretion of ODJFS.

Should ODJFS determine a need for interviewing vendors prior to making a final selection, results to interview questions shall be scored in a manner similar to the process described in Section 6.1, Scoring of Proposals, above. Such scored results may be either added to those vendors' proposal scores, or will replace certain criteria scores, at the discretion of ODJFS. The standards for scoring the interviews and the method used for considering the results of the interviews shall be applied consistently for all vendors participating in the interview process for that RFP.

ODJFS reserves the right to negotiate with vendors for adjustments to their proposals should ODJFS determine, for any reason, to adjust the scope of the project for which this RFP is released. Such communications are not violations of any communications prohibition, and are expressly permitted when initiated by ODJFS, but are at the sole discretion of ODJFS.

Any vendor deemed not responsible, or any submitting a proposal deemed not to be responsive to the terms of this RFP, shall not be awarded the contract.

6.3 Final Vendor Recommendation

The PRT will recommend for selection the technically qualified vendors which offer the lowest cost-per-quality point. ODJFS reserves the right to select vendors which achieve the lowest cost-per-

quality points to the extent that both full and limited-scope audit services are met. Results from the Interview (if appropriate) will be considered in reevaluating the vendor's technical proposal score, which would result in a revised cost-quality score.

At its sole discretion, ODJFS may choose to conduct interviews prior to final vendor selection. Interview question responses will then be considered according to a process comparable to the Technical Proposal Scoring described in Section 6.1 B, Phase II Review—Criteria for Scoring the Technical Proposal.

6.4 Tie Breaker

In the event that two or more of the proposals have a score which is tied after final calculation of both the technical proposal and the project budget, the proposal with the higher score in the technical proposal will prevail.

SECTION VII. PROTEST PROCEDURE

7.1 Protests

Any potential, or actual, vendor objecting to the award of a contract resulting from the issuance of this RFP may file a protest of the award of the contract, or any other matter relating to the process of soliciting the proposals. Such a protest must comply with the following guidelines:

- A. A protest may be filed by a prospective or actual bidder objecting to the award of a contract resulting from this RFP. The protest shall be in writing and shall contain the following information:
 - 1. The name, address, and telephone number of the protestor;
 - 2. The name and number of the RFP being protested;
 - 3. A detailed statement of the legal and factual grounds for the protest, including copies of any relevant documents;
 - 4. A request for a ruling by ODJFS;
 - 5. A statement as to the form of relief requested from ODJFS; and
 - 6. Any other information the protestor believes to be essential to the determination of the factual and legal questions at issue in the written protest.

- B. A timely protest shall be considered by ODJFS, if it is received by ODJFS' Office of Legal Services, within the following periods:
 - 1. A protest based on alleged improprieties in the issuance of the RFP or any other event preceding the closing date for receipt of proposals which are apparent or should be apparent prior to the closing date for receipt of proposals shall be filed no later than 3:00 p.m. the closing date for receipt of proposals, as specified in Section 1.5, Anticipated Procurement Time Table, of this RFP.
 - 2. If the protest relates to the announced intent to award a contract, the protest shall be filed no later than 3:00 p.m. of the eighth (8th) calendar day after the issuance of the Letter of Intent to Award the contract.

- C. An untimely protest may be considered by ODJFS if ODJFS determines that the protest raises issues significant to the department's procurement system. An untimely protest is

one received by ODJFS' Office of Legal Services after the time periods set forth in Item B. of this section.

- D. All protests must be filed at the following location:

Chief Legal Counsel
ODJFS Office of Legal Services
30 East Broad Street, 31st Floor
Columbus, Ohio 43215-0423

- E. When a timely protest is filed, a contract award shall not proceed until a decision on the protest is issued or the matter is otherwise resolved, unless the Director of ODJFS determines that a delay will severely disadvantage the Department. The vendor(s) who would have been awarded the contract shall be notified of the receipt of the protest.
- F. ODJFS' Office of Legal Services shall issue written decisions on all timely protests and shall notify any vendor who filed an untimely protest as to whether or not the protest will be considered.

7.2 Caveats

ODJFS is under no obligation to issue a contract as a result of this solicitation if, in the opinion of ODJFS and the proposal review team, none of the proposals are responsive to the objectives and needs of the Department. ODJFS reserve the right to not select any vendor should ODJFS decide not to proceed. Changes in this RFP of a material nature will be provided via the agency website. All vendors are responsible for obtaining any such changes without further notice by ODJFS.

Selected vendors will be assigned any number of engagements - with no guarantee of any specific work volume. Assignments made are at the sole discretion of ODJFS.

SECTION VIII. ATTACHMENTS AND THEIR USES

- A. Required Vendor Information and Certifications (*To be completed & included in proposal packet as specified in Sec. 5.2, B., 1.*)**
- B. Request for Taxpayer Identification Number (W-9) Form (*To be completed & included in proposal packet as specified in Sec. 5.2, B., 1.*)**
- C. Declaration of Material Assistance Form (*To be completed & included in proposal packet as specified in Sec. 5.2, B., 1.*)**
- D. ODJFS Model Contract (*For vendor reference purposes*)**
- E. Technical Proposal Score Sheet (*For vendor self-evaluation purposes...do not submit*)**
- F. Cost Proposal Form (*To be completed & included in cost proposal packet as specified in Sec. 5.2, C.*)**

SECTION IX. APPENDICES AND THEIR USES

- 1. Representation Questionnaire – Limited & Full Scope Audit**
- 2. Limited Scope Audit Work Program**
- 3. Expenditures Work Program – Full Scope Audit**

- 4. Payroll Work Program – Full Scope Audit**
- 5. Minutes Representation – Full Scope Audit**
- 6. Personal Allowance Questionnaire – Full Scope Audit**
- 7. Full Scope Audit Work Program**
- 8. Catalog for Audit Narratives**
- 9. Audit Listing of LTC Facilities**
- 10. Chart of Accounts**
- 11. Medicaid Cost Report – Fiscal Year 2004/ Calendar Year 2002**
- 12. Provider’s July 1, 2005 Rate Setting**
- 13. Medicaid Cost Report – Fiscal Year 2006/Calendar 2003**
- 14. Audit Report Input Document**
- 15. Medicaid Claims Adjustments & Reason Codes for Adjustments**
- 16. Proposed Cost Adjustment Sheet**
- 17. Equity Memo**
- 18. Applying Agreed Upon Procedures**

Thank you for your interest in this project.