

Section II

TERMS AND CONDITIONS

A. Incurring Costs

The PIHP and affiliates is not liable for any costs incurred by Vendors prior to the issuance of a contract.

B. Proposal Disclosure

All information in a Vendor's proposal is subject to the provisions of Public Act 442 of 1976, known as the Freedom of Information Act, once the RFP process is completed.

C. Contract Period

It is anticipated that any resulting offered contract shall begin on November 1, 2023 and shall continue contingent upon availability of funding from MDHHS, the PIHP and affiliates service needs and satisfaction of Vendor services. The offered contract may be terminated with sixty (60) days' notice without cause or penalty.

D. Conflict of Interest

Vendors shall affirm that no principal, representative, agent or other person acting on behalf of or legally capable of acting on its behalf, is currently an employee of the PIHP and affiliates; nor is he/ she privy to insider information which would tend to give, or give the appearance of tending to give, an unfair advantage to the Vendor, which may constitute a conflict of interest.

Within the proposal response, all Vendors shall disclose any known direct or indirect financial interests (including but not limited to ownership, investment or any other form of remuneration) that may exist between the Vendor, his/ her potential subcontractors and the PIHP and affiliates.

E. Relationship of the Parties / Independent Contractor

The relationship between the PIHP and affiliates and any selected Vendor is that of an independent contractor. No agent, employee, or servant of the Vendor shall be deemed an employee, agent, or servant of the PIHP and affiliates for any reason. The Vendor shall be solely and entirely responsible for its acts and the acts of its agents, employees and servants during the performance of a contract resulting from the RFP.

F. No Waiver of Default

The failure of the PIHP and affiliates to insist upon strict adherence to any term of a contract resulting from this RFP shall not be considered a waiver or deprive the PIHP and affiliates of the right thereafter to insist upon strict adherence to that term, or any other term, of the contract.

G. Disclaimer

All the information contained within this RFP and its attachments reflect the best and most accurate information available to the PIHP and affiliates at the time of RFP preparation. No inaccuracies in such information shall constitute a basis for legal recovery of damages, either real or punitive.

The PIHP and affiliates reserves the right to accept or reject any / all bid proposals received pursuant to this RFP, in whole or in part; and / or to waive any / all irregularities herein; and / or to delete / reduce the units of service; and / or to negotiate proposal terms in any way whatsoever to obtain a proposal deemed in its best interest. The PIHP and affiliates reserve the right to re-solicit / re-advertise as deemed necessary.

All proposals submitted become the property of the PIHP and affiliates.

H. Acceptance of Proposal Content

The contents of the proposal of the selected firm may become contractual obligations. Failure to accept these obligations may result in cancellation of the selection.

I. MDHHS CMH Compliance Guidelines

The Audit Firm shall use the current and/or revised Michigan Department of Health and Human Services Compliance Guidelines, as required by the MDHHS. The MDHHS CMH Compliance Guidelines can be obtained from the State's reporting website.

J. Auditing Standards to be Followed

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

K. Reports to be Issued

Following the completion of each audit, the firm shall issue the following reports, separately for the PIHP and each affiliate, consistent with the above stated scope of work:

- Independent Auditor's Report on examination of the financial statements including all accounts in all fund types.
- Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Audit Standards.
- Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report of Schedule of Expenditures of Federal Awards Required by the Uniform Guidance.
- Summary of auditors' results and schedule of findings and questioned costs.
- Independent Accountant's Report on Compliance with Requirements Applicable to the Medicaid and/or GF Programs and Report on Internal Control Over Compliance in Accordance with the Community Mental Health Compliance Examination Guidelines Issued by the Michigan Department of Health and Human Services.

L. Other Communication Requirements

The auditor shall communicate in a separate letter to the Boards of Directors or Audit committee as applicable of the PIHP and each Affiliate any reportable conditions and/or material weaknesses found during the audit. A reportable condition/material weakness shall be defined as a significant deficiency in the design or operation of the internal control structure that could adversely affect the organization's ability to record, process, summarize, and/or report financial data consistent with the assertions of management in the financial statements.

Management letter or letter indicating that no management letter is needed.

Additionally, the reports shall be provided electronically to A separate report will be prepared for the PIHP and Affiliates.

M. Final Audit Reports and Communication Requirements

The auditing firm shall provide electronic copies of the financial audit report to the PIHP and Affiliates no later than March 31 following the end of a fiscal year.

The auditing firm shall provide electronic copies of the Single Audit and Compliance Examination to the PIHP and Affiliates no later than June 15 following the end of a fiscal year. The audit firm will be responsible for submission of the data collection form to the Single Audit Clearinghouse and compliance examination package to the MDHHS office of audit no later than June 30.

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

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

N. Assistance to be provided by the PIHP and Affiliates

- Office space deemed adequate for the conduct of the examination of records (if applicable).
- Reasonable access to Internet
- Clerical assistance in obtaining necessary documents from files.
- Finance and management personnel, as appropriate, to provide information, documentation, and/or explanations.
- Reasonably adjusted trial balance of specified funds for which the PIHP and Affiliates maintains accounting records. The PIHP and Affiliates are prepared to provide trial balances to auditors in an Excel file format.
- Work papers in support of significant account balances for all funds for which each PIHP and Affiliates maintain records. The PIHP and Affiliates are prepared to provide work papers to auditors in an Excel file format.