



REQUEST FOR PROPOSALS:

Auditing Services: Fiscal Years 2024, 2025, 2026

Release Date: April 19, 2024

Pre-Proposal Meeting: Scheduled as needed.

Proposal Due: May 31, 2024 at noon.

Anticipated Award Notification: August 7, 2024

Anticipated Contract Start: October 7, 2024

Issued by:

Behavioral Health System Baltimore, Inc.
100 South Charles Street, Tower II, 8th Floor
Baltimore, Maryland 21201

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REQUEST FOR PROPOSALS

Auditing Services: Fiscal Years 2024, 2025, 2026

I. Overview of the Project

A. OVERVIEW OF BHSB

Behavioral Health System Baltimore, Inc. (BHSB) is a non-profit organization tasked by Baltimore City to manage the city's public behavioral health system. As such, BHSB serves as the local behavioral health authority for Baltimore City. In this role, BHSB envisions a city where people live and thrive in communities that promote and support behavioral health and wellness.

BHSB is committed to enhancing the behavioral health and wellness of individuals, families, and communities through:

- The promotion of behavioral health and wellness prevention, early intervention, treatment, and recovery;
- The creation and leadership of an integrated network of providers that promotes universal access to comprehensive, data-driven services; and
- Advocacy and leadership of behavioral health-related efforts to align resources, programs, and policy.

BHSB is committed to promoting behavioral health equity in Baltimore City by ensuring that the behavioral health provider network is culturally and linguistically responsive to the diverse populations served, reducing behavioral health care access barriers for populations known to experience discrimination and marginalization, and supporting communities directly to develop services that are responsive to their unique strengths and needs.

B. ORGANIZATIONAL BACKGROUND

BHSB is a 501(c)(3) non-profit corporation that was established in 2013 through the merger of Baltimore Substance Abuse Systems (BSAS) and Baltimore Mental Health Systems (BMHS). BSAS and BMHS merged to establish an Affiliation to promote the integration of substance use disorder and mental health care services in Baltimore City. BSAS, as a corporate entity, still exists as a subsidiary of BHSB, while BMHS' name was changed to BHSB in 2013. Each legacy organization brought long histories (25+ years) of experience to the merged organization.

BHSB has approximately 110 full-time employees and an approximate budget of \$54.7 million, derived from several sources, including the Maryland Department of Health (MDH) Behavioral Health Administration (BHA), Health Services Cost Review Commission (HSCRC), and Prevention and Health Promotion Administration (PHPA),

Baltimore City Health Department (BCHD), Foundations, and other designated grants from the federal government, State of Maryland and Baltimore City.

BHSB formerly served as the parent organization for Community Housing Associates, a 501(c)(3) non-profit organization that develops and manages housing for low-income individuals and families in Baltimore City with mental illness. There were additional auditing activities related to this, which included submission of financial information to the U.S. Department of Housing and Urban Development (HUD) and the Department of Housing and Community Development (DCHD) before fiscal year 2024.

C. Overview

Through this Request for Proposals (RFP), BHSB is seeking a qualified, certified public accounting firm to audit its consolidated financial statements for the Fiscal Years ending June 30, 2024, June 30, 2025, and June 30, 2026, to include consolidating statements of financial position and activities, and to provide additional management services as requested by BHSB.

These audits are to be performed in accordance with accounting principles generally accepted in the United States, Government Auditing Standards, the Single Audit Act, and Uniform Guidance (formerly the U.S. Office of Management and Budget's (OMB) Circular A-133).

D. SCOPE OF WORK

Period of Performance

Field work for the next fiscal period will commence in mid to late November 2024. The audit staff will provide an entrance and exit conference with the Management Staff for the Corporation and an entrance and exit conference with the Finance and Audit Committee for the Corporation's Board of Directors. The audit staff should be of sufficient size and experience so the audit can be performed in an efficient manner and within the time frame needed to meet the completion due dates.

The BHSB accounting staff will provide assistance during fieldwork by providing a final trial balance before the commencement of the audit and will prepare audit schedules and draft financial statements. The final financial statements and Uniform Guidance reports must be completed and issued by January 15th of each year of this contract following the audit commencement. The audit firm will present the final audit report to the BHSB Audit and Finance Committee at the annual January or February meeting for final approval. This meeting typically occurs during the second or third week of January/February.

The audit firm will prepare the financial statements, the Uniform Guidance reports, and any management letter comments in final form, producing fifteen physical copies of each and any electronic copies requested.

Records Retention

All work papers and reports must be confidentially retained, at the auditor's expense, for a minimum of four years unless the firm is notified in writing by BHSB of the need to extend the retention period.

Reasonable Access

In addition, the firm shall respond to reasonable inquiries during subsequent audits and allow any successor audit firm to review working papers relating to matters of continuing accounting significance.

The selected Auditing Company will have demonstrated its ability to do the following:

1. Express an opinion as to the fair presentation of the BHSB consolidated financial statements in accordance with generally accepted accounting principles and issue these statements.
Communicate in a letter to management any reportable conditions found during the audit. A reportable condition 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 report accurate financial data.
2. Perform an audit as required by OMB Uniform Guidance in accordance with Government Audit Standards to determine whether:
 - a. BHSB has an internal control structure that provides reasonable assurance that the Corporation is managing federal awards in compliance with applicable laws and regulations and further that controls are in place that ensure compliance with the laws and regulations where the failure to comply could have a material impact on the financial statements, and
 - b. BHSB has complied with laws and regulations where the failure to comply may have a direct and material effect on its financial statement and each major federal program.
3. Issue the consolidated financial statements, schedules, and reports on internal controls and compliance with regulations required by OMB Uniform Guidance.
4. Prepare any required notes for the financial statements.
5. Work with other auditors in preparation of consolidated financial statements.
6. Prepare the Corporation's annual tax return (IRS Form 990 and Maryland Property Tax Form) and any filing extensions needed to ensure timely filing with the IRS and the State of Maryland if requested.

D. DESCRIPTION OF FINANCIAL OPERATION

BHSB has a centralized Office of Finance under the direction of its Vice President and Chief Financial Officer. The office's major responsibilities include tracking grant revenues and expenses through its general ledger system, producing financial statements and accounting reports, filing IRS Form 990 and Maryland Property Tax Forms, budgeting, cash management, corporate investments, disbursement, and providing support to outside auditors. The BHSB Finance Office prepares and provides necessary audit schedules to support the financial statements.

BHSB uses the Abila MIP Fund Accounting package to operate its accounting system. The software is a fund accounting system with a standard general ledger module, a project/grant module, a report writer module, and an accounts payable system. The system produces grant budgetary reports, a detailed monthly general ledger by each grant, and a trial balance at each funding level. BHSB regularly compares budgeted to actual results to maintain budgetary control.

BHSB has a 403(b) retirement plan covering all permanent employees. Form 5500 and other pension-related reports are prepared and filed annually through an independent pension consultant and are not included in this scope of work.

E. RELATIONSHIP WITH PRIOR CPA

BHSB's relationship with its prior CPAs was courteous and professional. The contract was awarded for several years. All requirements were met during this contract, and no outstanding obligations are on either side.

However, to comply with the roles and responsibilities of the Board of Directors' Audit and Financial Committee, we are required to solicit audit firms at least once every three years.

II. Overview of RFP

A. PURPOSE OF RFP

Through this Request for Proposals (RFP), BHSB is seeking a qualified, certified public accounting firm to audit its consolidated financial statements for the Fiscal Years ending June 30, 2024, June 30, 2025, and June 30, 2026, to include consolidating statements of financial position and activities, and to provide additional management services as requested by BHSB.

B. APPLICANT ELIGIBILITY

Applicants must meet all of the eligibility criteria listed below:

1. Accounting principles generally accepted in the United States, generally accepted auditing standards, Uniform Guidance, and government audit standards as they apply to non-profit institutions.
2. Federal regulations governing a private, non-profit organization receiving federal funds, such as OMB Circular A-122 (Cost Principles).
3. The conduct of OMB Circular A-133 audits (Single Audit).
4. The latest Financial Accounting Standard (FAS) affecting non-profit organizations such:
 - a. as No. 117 Financial Statements of Not-for-Profit Organizations and No. 116 Accounting for Contributions Received and Contributions Made; and
 - b. the Accounting Standards Update (ASU) 2016-12, Leases (Topic 842), which modifies the guidance for lease accounting.
 - c. Cost allocation plans, indirect rate negotiations, and related issues.
5. Must be a certified public accountant licensed by a state or other political subdivision of the United States.
6. The preparer must meet the independency standards of the American Institute of Certified Public Accountants' *Code of Professional Ethics*.

C. PROPOSAL TIMEFRAME AND SPECIFICATIONS

1. Timeline

Release Date:	April 19, 2024
Pre-Proposal Conference:	Please see below to select a date and time.
Proposal Due:	May 31, 2024, at 12:00 p.m.
Anticipated Award Notification:	August 7, 2024

Anticipated Contract Start:	October 7, 2024
Anticipated Service Start:	November 14, 2024

2. Pre-Proposal Meetings

Potential applicants are strongly encouraged to attend a scheduled pre-proposal meeting. At the meeting, you can ask questions regarding the RFP. Below are the available dates and times.

Monday, April 29, 2024

1 pm to 1:30 pm

Monday, May 6, 2024

12 noon to 12:30 pm

Wednesday, May 1, 2024

12:30 pm to 1 pm

2 pm to 2:30 pm

Wednesday, May 8, 2024

2pm to 2:30 pm

Thursday, May 2, 2024

12:30 pm to 1 pm

- Potential applicants will attend only **1** meeting. No other meetings will be scheduled.
- Potential applicants will email the procurement lead at Procurements@BHSBaltimore.org with the selected date and time.
- All questions related to this RFP should be submitted in advance to Procurements@BHSBaltimore.org no later than the day before the scheduled meeting.
- There may be time at the end of the meeting to ask additional questions, depending on the number of questions submitted.
- Please join five minutes early to leave time to troubleshoot. If you have any problems accessing the meeting, please contact Procurements@BHSBaltimore.org.
- All questions posed before or during the Pre-Proposal meetings and BHSB's responses will be posted on BHSB's website at <https://www.bhsbaltimore.org/for-providers/funding-opportunities/> by May 7, 2024. The questions and answers will also be emailed to all who submitted questions.
- If you would like to be emailed the questions and answers document but do not have a question, please let the Procurement Lead know by emailing Procurements@BHSBaltimore.org.
- Questions received after the May 2, 2024, meeting cannot be answered.

3. Proposal Due Date, Time, and Location

BHSB uses Survey Monkey Apply (SM Apply) to manage applications. All proposals must be submitted through this system. Applicants must register with the system ahead of time and submit narrative and supporting documents directly through the system. You are able to save your application and continue to work on it before submitting it. BHSB encourages all applicants to test this system well in advance of submitting proposals.

Applicants can access SM Apply here: <https://bhsb.smapply.org/>

All proposals must be received no later than **12:00 pm (noon) EST on May 29, 2024**. All submitted proposals become the property of BHSB. If you are having technical troubles related to submitting your proposal, contact BHSB before the due date/time at Procurements@BHSBaltimore.org

Proposals submitted after the due date/time cannot be considered.

4. Interviews

Applicants whose proposals are ranked highest by a Review Committee may be asked to participate in an interview.

5. Authorized Contact

Applicants are advised that the authorized contact person for all matters concerning this RFP is Kisha Winston-Watkins, whose contact information is listed below.

Kisha Winston-Watkins Procurement Lead

Email: Procurements@BHSBaltimore.org

6. Anticipated Service Term: October 7, 2024 – October 6, 2027, with options to renew annually pending availability of funding and performance.

D. AWARD OF CONTRACT

The submission of a proposal does not, in any way, guarantee an award. BHSB is not responsible for any costs incurred related to the preparation of a proposal in response to this RFP. BHSB reserves the right to withdraw an award prior to the execution of a contract with a selected applicant in BHSB's sole and absolute discretion.

BHSB will select the most qualified and responsive applicants through this RFP process. BHSB will enter into a contract with selected applicants following the notification of the award. All selected applicants must comply with all terms and conditions applicable to contracts executed by BHSB.

E. RFP POSTPONEMENT/CANCELLATION

BHSB reserves the right to postpone or cancel this RFP, in whole or in part.

F. APPLICANT APPEAL PROCESS

Applications must be complete and fully responsive to the Proposal Narrative Outline below and include all required appendices. Applicants may file an appeal within five days of notification of non-selection. BHSB will not review new proposal materials that were not included in the application. BHSB will review the appeal letter and respond to the non-selected applicant within ten working days of receipt of the appeal.

G. GOVERNING LAW AND VACCINATION MANDATES

The applicant acknowledges and agrees that BHSB is a federal contractor for purposes of Executive Order 14042, Ensuring Adequate COVID-19 Safety Protocols for Federal Contractors (the "Order"). The applicant and its subcontractors shall comply with the Order and all other applicable mandates, rules, laws, and regulations (collectively, the "Requirements"). Upon request by BHSB, selected applicants shall promptly provide evidence of compliance with the Requirements and shall promptly take such further actions as may be requested by BHSB with respect to the Requirements and/or the resulting Contract. The applicant and all of its subcontractors shall, for the duration of the resulting Contract, comply with all guidance for contractor and subcontractor workplace locations published by the Safer Federal Workforce Task Force. These requirements shall be incorporated into all subcontracts of Sub-Vendor.

III. Format and Content of Proposal

A. PROPOSAL INSTRUCTIONS

Applicants must submit all required information using Survey Monkey Apply (SM Apply) accessible here: <https://bhsb.smapply.org/>.

Late proposals will not be considered.

It is the policy of BHSB to adhere to the rules and regulations in the Health Insurance Portability and Accountability Act (HIPAA). We do not anticipate that any proposal submitted in response to this RFP would include individually identifiable health information. However, if it does, please remember that protected health information (PHI) needs to be secured via encryption and should adhere to the Guide to IT Privacy and Security of Electronic Health Information:

<https://www.healthit.gov/topic/privacy-security-and-hipaa/health-it-privacy-and-security-resources-providers>.

B. PROPOSAL NARRATIVE OUTLINE AND RATING CRITERIA

The outline below shows the information being requested for applications and how points will be awarded during the review. Use SM Apply to submit your responses. See the instructions for more information about how to submit proposals.

1. Organizational Background and Capacity (30 points)

- a. Describe the size of the firm's local office, the location from which the work on this engagement is to be performed, and the number and experience of the local office audit staff who will be assigned to this engagement. Specifically note their experience auditing non-profit corporations, state or local government, Community Development Block Grant (CDBG) recipients, and other federal award funding. Include whether the firm is a certified public accountant licensed by a state or other political subdivision of the United States and whether the preparer meets the independency standards of the American Institute of Certified Public Accountants' Code of Professional Ethics.
- b. Indicate whether you are a woman or minority-owned business enterprise (W/MBE) and the state in which you are certified. If you are registered with the Maryland State Department of Transportation Minority Business or the Maryland State Minority Affairs Office, please provide your certification number.

2. Scope of Work (30 points)

- a. Describe your understanding of the work to be done and make a positive commitment to perform the work within the time period as outlined in this RFP.
- b. Describe the local office's capability to review computerized systems, including the number and classification of personnel skilled in computer sciences who will work on the audit.
- c. Provide an explanation of the local office expertise in dealing with the cost allocation plans and review for allocability of costs under OMB Uniform Guidance.

3. Staffing Plan (20 points)

- a. State the principle supervisory and management staff, including engagement partner, managers, seniors, and any specialists who would be assigned to the engagement, indicating whether each such person is licensed to practice as a certified public accountant. Resumes should be provided for the above personnel, as well as information on
 - i. their non-profit audit clients and number of years' experience and
 - ii. continuing professional education credits courses.
- b. Certify that the firm or any individuals who will be working on this audit have not been suspended, debarred, or accepted voluntary exclusion by the federal or any government agency during the period covered by this response.

4. Proposed Program Budget (20 points)

- a. State the all-inclusive fixed price for all labor, materials, and other expenses needed to complete all items in the Scope of Services, including a breakdown of the numbers and kinds of professional and nonprofessional staff that will be utilized in the engagement. State the total hours, the hourly rate required by each staff classification, and the descriptions and amounts of other charges, including communications, travel, and miscellaneous expenses per year. Break out the cost for each year of the audit and the price for any additional services outlined in this proposal.
- b. State the payment terms under which you will perform duties under the contract period of the contract price.

5. Appendices

- o Resumes for the principle supervisory and management staff.

- Attach three letters of reference that include the name, address, and telephone number of non-profit clients served by the members of the team to be assigned to this project. Identify the clients receiving Uniform Guidance audits and those clients receiving audits related to federal CDBG funds.
- Sample of your standard engagement letter that you intend to use upon award of this contract.
- Completed non-collusion certificate.
- Results of the most recent peer review or an explanation from the AICPA, if you are an AICPA member, should also be attached.
- Certificate of insurance that certifies the firm has liability coverage against personal damage, property damage, and worker's compensation claims.