



Area  
Agency on  
Aging (III)  
Branch-St. Joseph

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## APPLICATION INFORMATION

FISCAL YEAR 2021-2022

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### APPENDIX

Proposal Review Criteria

**BRANCH-ST. JOSEPH AREA AGENCY ON AGING (IIIC)  
APPLICATION INFORMATION  
FISCAL YEAR 2022**

**I. APPLICATION INFORMATION** - Organizations proposing to deliver services through the Branch-St. Joseph Area Agency on Aging (IIIC) [AAA] under an Annual Implementation Plan must follow designated application and bidding procedures. The Area Agency on Aging provides funding for annualized fixed-sum contracts. All contracts shall be awarded for a three-year period unless otherwise specified. The proposed units and overall dollar amount(s) available in fiscal year 2022-2023 for annual contracts for a competitive bidding process are found in the appendix of this document.

**A. APPLICATION STRUCTURE** - All applications are structured in the following three parts. A nutrition supplement is provided (if applicable) for this application.

|                            |   |
|----------------------------|---|
| Part I FUNDING APPLICATION | Calls for programmatic information regarding proposed services and the applicant agency.                    |
| Part II ASSURANCES         | Includes signed compliance documents and statutory assurances which will govern program operations.         |
| Part III BUDGET            | Provides for a complete budget with yearly expense projections, unit costs, and projected monthly expenses. |

In addition to submitting required information, proposers and/or subcontractors may be required to submit additional information requested by the AAA during the RFP process or at any time during the fiscal year.

**B. ELIGIBLE APPLICANTS FOR FUNDING** - Public, private non-profit making service organizations and political subdivisions of the state who offers services which meet the AAA's minimum standards and serve the Michigan counties of Branch and St. Joseph, are eligible applicants. Sub-contracting with profit-making organizations requires prior approval from the Michigan Bureau of Aging, Community Living, and Supports (ACLS) in Lansing.

- C. ELIGIBLE SERVICES THROUGH THE COMPETITIVE BIDDING PROCESS-** The types of services to be purchased through the competitive bidding process are announced in the official Request for Proposals (RFP). Minimum service standards have been established for each type of service. Minimum standards are available at the Pre-Proposal Conference and are included with the General Information packet.
- D. POPULATION TO BE SERVED** - All persons aged 60 years of age or older (or otherwise noted) who are residents of Region IIIC are eligible for federal and state funded service delivery regardless of race, color, religion, gender, sexual orientation, national origin, or income. Elderly recipients include residents or occupants of facilities; either permanent, temporary, or transitional, located within the geographic areas of Branch and St. Joseph Counties.
- E. TARGET POPULATION** - Although all individuals aged 60 years and older are eligible to receive federal and state funded service, substantial emphasis must be given to serving elder persons with the greatest social or economic need. "Substantial emphasis" is regarded as an effort to service a greater percentage of older persons with economic and/or social needs than their relative percentage to the total elderly population within the geographic service area.

For targeting and planning purposes, the following poverty guidelines are to be used:

**1. Low Income and Below Poverty -**

| <u>SIZE OF FAMILY</u> | <u>100% POVERTY</u> |
|-----------------------|---------------------|
| 1                     | \$13,590            |
| 2                     | \$18,310            |
| 3                     | \$23,030            |
| 4                     | \$27,750            |
| 5                     | \$32,470            |
| 6                     | \$37,190            |
| 7                     | \$41,910            |
| 8                     | \$46,630            |

**Note:** Add \$4,720 for each additional family member over 8.

*Source: 2022 Poverty Guidelines, US Dept. Of Health & Human Services*

- 2. Minority** - For planning and reporting purposes, clients who are members of the following racial/ethnic categories are to be considered as belonging to a minority group: African American,

Native American, Asian/Pacific Islander, Multi-Racial and Other. The "Other" category consists of persons whose response to the race item on the census could not be categorized into a specific race, e.g. "Native-American," or "Hispanic." Most persons in the "Other" category are White Hispanics.

Please note that providers of aging-services may not use a means test. Although, methods such as location of services and specialization in the types of services most needed by these groups may be used to meet the requirement.

**II. SELECTION PROCESS** - The selection process is conducted in a manner which provides for free and open competitive bidding on services to be provided in the region. The AAA reserves the right to accept or reject all proposals. Awards shall be made to the responsible bidder whose proposal is most advantageous to the AAA with cost and all other factors, being considered. Established timetables will be strictly adhered to. Proposals received after the published due date will not be considered eligible for funding.

**A. FY 2022 APPLICATION TIMETABLE**

|                           |   |
|---------------------------|---|
| June 27, 2022             | Letters/Notices of Intent to Bid due to AAA office by 2:00pm (via fax or U.S. mail)   |
| July 11, 2022             | <i>** MANDATORY for All Bidders **</i><br>Pre-Proposal Bidders Conference<br>10:30 a.m., Community Health Agency<br>570 N. Marshall Road, Coldwater   |
| August 1, 2022            | Proposals DUE to AAA office<br>Electronic Submission via Email OR saved on storage device and delivered to AAA<br>Submitted by 10:00 a.m.   |
| August 25, 2022           | - AAA Policy Board Program, Policy & Appeals Committee reviews proposals & makes recommendations (committee meeting TBD)<br>- AAA Policy Board reviews recommendations<br>- Contracts are awarded |
| Week of September 5, 2022 | -Notification of contract awards and denial<br>-Negotiations & final preparation of contracts<br>-Contracts sent to providers for signature & returned on or before September 19, 2022.           |
| Contract Period:          | October 1, 2022 – September 30, 2023  |

- B. PROPOSAL REVIEW PROCESS** - All proposals received will be reviewed and evaluated by the Branch-Hillsdale-St. Joseph Board of Health - Program, Policy & Appeals Committee. The Board of Health serves as the AAA Policy Board. This committee of the full board will use the attached Proposal Review Criteria as the basis for making recommendations for funding to the full Board. Refer to the Application Timetable for specific meeting dates.

Cost per unit, organizational capacity, and clarity are the major components of the review process.

The AAA may, at its discretion, request that proposers be available to present their application in person to the AAA staff, Review Committee, and/or Board of Directors. The board retains the right to reject any and or all submitted bids if it feels it is within the best interest of the agency to do so.

**C. PROPOSAL REVIEW CRITERIA**

See Appendix

- D. POLICY WAIVERS** - All policies and procedures of the AAA shall be adhered to except in those cases where waivers are specifically allowed under ACLS rules and regulations. In such cases a written request, must be submitted to the AAA for approval. Approval must be given prior to any change in operations.

Waiver request pertaining to Minimum Service Standards should be submitted by the proposer as part of the application process, or during the contract renewal process (when appropriate). Consideration of and recommendations regarding such requests will be determined as part of the proposal review process. Minimum service standards waiver requests submitted to the AAA mid-year will be subject to approval by the AAA Board.

- E. CONTRACTING AUTHORITY** - At any time during the contract or the RFP process, the AAA may, at its discretion, require proposers or subcontractors to submit materials or information requested. Annual submission may include the following, but not limited to:

1. **Changes** - Summary of anticipated program changes;
2. **Detail** - Program plan;
3. **Additional** - Any additional information not requested in the original proposal or contract, or information the AAA requests;
4. **Bids and Subcontracts** - Must be submitted to the AAA for

review and comment prior to implementation;

**5. Budget** - Budget information.

- F. NOTICE OF AWARD** - Written notification of Board action regarding the approval or denial of service proposals will be sent by mail within seven calendar days of action. Verbal notification may be requested at any point after the decision is made.
- G. APPEALS** - Those applicants whose proposals are denied by the AAA have the right to appeal their denial. Written intent to appeal must be sent to the AAA within five calendar days from receipt of the official notice of the decision. The BRANCH-ST. JOSEPH AREA ON AGING (IIIC) APPEAL PROCEDURE MAY BE FOUND IN THE APPENDIX OF GENERAL INSTRUCTIONS.
- H. CONTRACT NEGOTIATIONS** - Final negotiation of contracts, authorized by the AAA Board of Directors, will be conducted by the AAA staff after Board selections have been announced but prior to actual project start-up on October 1, 2022 when funding conditions (if any) such as unit cost, client service levels, budget concerns, and related program concerns as specified in the notice of awards are negotiated.

**III. FUNDING INFORMATION**

- A. FUNDING SOURCES** - Both state and federal monies are available through the AAA, and are administered in like fashion. Title III and state monies are to provide for direct aging service costs and not intended to stabilize organizations or provide for their solvency.

Title III is the principal federal source of funds for planning and services for older persons established through the Older Americans Act. Title III-B: social service programs; Title III-C: congregate meal services provided at nutrition sites and meals delivered to the homebound elderly; Title III-D: Preventative Health services; Title III-E: National Family Caregiver Support Program.

Nutrition Services Incentive Program (NSIP) funding is used to supplement senior nutrition programs: Home delivered meals and Congregate meals.

State Access: funds for 'access services'; State In-Home: funds for in-home services; State Congregate/HDM: funds for senior nutrition programs; State Alternative Care: funding for some in-home and supportive services including adult day, med management, PERS; State Respite Care: funds for respite care and/or adult day services; State Merit Award (formerly Tobacco Respite Care): funds for respite care and/or

adult day services; State Aging Network Services; funds for 'access' and/or 'in-home' services, and/or med management/PERS.

- B. MATCHING REQUIREMENT** - The funding philosophy of aging service programs assumes some local resources are available for local programs. Therefore, all funding is on a percentage basis, with both federal and state monies requiring a **match**.

The minimum match requested is 13% of service costs. A portion of local funds must be used and designated as matching funds. To compute match:

Example - Annual Contract

\$10,000 request with a 13% match

- a. \$10,000 divided by .87 = \$11,494 (sum of awards and match)
- b. \$11,494 multiplied by .13 = \$1,494 (13% match amount)

Documentation that match is being provided is submitted as a component of the financial reporting for reimbursement. Technical assistance regarding reporting requirements may be provided to successful applicants prior to the beginning of the fiscal year. Definitions of matching sources are provided in the specific instructions.

- C. CASH MATCH** - Provision of cash match is optional for all annual contract applicants during the application process and is calculated from the total amount of federal or state funds awarded per service category.

- D. PROGRAM INCOME** - Program income includes, but is not limited to donations from clients received by a subcontractor for all services provided with contract funds. Program income is used for budgeted line items to expand the service and reduce the need for federal funding participation. Regulations which govern program income include:

- 1. **Opportunity** - Older persons must be given an opportunity to contribute; however, an older person who requests services cannot be denied a service because he/she "will not or cannot contribute to the cost of the service." (Federal Register V, 45, No. 63, 3/31/80, #21158);
- 2. **Privacy** - The privacy of contributions made by older persons must be protected;
- 3. **Expand Services** - Program income must be used to expand or increase service delivery for allowable costs only, and cannot be used as match for federal or state funds;



4. **Budgeting** - Program income must be budgeted in the service for which it is received **before** being spent;
5. **Handling** - The person handling program income must be bonded and all funds must be properly counted and reported to the bookkeeper for accounting/audit purposes;
6. **Accounting** - Program income must be accounted for separately within the subcontractor's accounting records;
7. **Carry Over** - Program income cannot be carried from one fiscal year to the next.

**E. METHODS OF REIMBURSEMENT** - The AAA uses a single method for reimbursing annual contracts: performance-based contracts (unit cost).

**Unit Cost Reimbursement** - Under a unit cost reimbursement structure the budget submitted establishes a fixed unit cost reimbursement rate for each unit of service delivered. Monthly reimbursement received by a subcontractor from the AAA is based on the number of units provided in that month. Service quality is monitored under existing standards and definitions.

During the second quarter fiscal evaluation and subsequent reprogramming process, the rate of unit cost reimbursement in relation to actual expenditures may be reviewed. The unit cost contract will allow for mutual review and possible re-negotiation of the unit rate at the mid-year point with all factors, including program income, considered. Subcontractors must establish a clear audit trail for the units of service claimed for reimbursement (i.e. worker time sheets signed by the client to verify that services were performed).

**Purchase of Service (Expense Reimbursement)** – Under a Purchase of Service (Expense Reimbursement) methodology, reimbursement is directly correlated to the actual cost of providing the needed service/event. Monthly reimbursement requests shall be submitted as identified in Section IX. B. of the Contract for Services. All minimum service standards and reporting requirements of ACLS will continue to be met under this system.

**F. GUIDELINES FOR THE USE OF A UNIT REIMBURSEMENT SYSTEM**

1. **Fixed Rate** - Unit reimbursement is understood as a method of payment for contracted services based on a fixed unit rate, which is determined prior to the finalizing of a contract for services. Individual contracted unit rates will vary with various subcontractors.
2. **Quality** - The primary consideration of use of this system is to ensure the provision of quality, cost efficient units of service at the contracted rate, and during the entire contract period. Service quality will be monitored under existing service standards and definitions.
3. **Determination** - The unit for a particular subcontractor will be determined through the unit cost budget submitted during the application process and possible review of the following; a line-item budget submitted by the applicant; for previous subcontractors; the past unit cost; information on unit costs for the particular services category on the State-wide, regional, and or local levels.
4. **Contract** - The boilerplate contract will be used. Should additional funding be awarded during the contract year, service will be increased relative to the established unit rate, unless a contract re-negotiation is requested.
5. **Reporting** - Subcontractors will be required to submit monthly reports of units served, and complete fiscal and programmatic quarterly reports as required by the type of service being provided.
6. **Audit** - Subcontractors must establish a clear audit trail for the units of service, which are claimed for reimbursement.
7. **Transfers** - Unit rate subcontractors are not required to notify the AAA of line-item budget changes, nor to request approval for such changes.
8. **Spending** - The AAA guidelines governing program income will be followed. Program income will be spent to purchase additional units.
9. **Re-negotiation** - The contract will allow for mutual review and possible re-negotiation of the unit rate at the mid-year point, as appropriate.
10. **Standards** - All minimum service standards and reporting requirements of ACLS will continue to be met under this system.

#### IV. REPORTING SYSTEM

- A. **FINANCIAL** - Providers will receive payment for services on a monthly basis through a unit-cost reimbursement method. A monthly report is due within ten calendar days following the last day of each month.
- B. **PROGRAMMATIC** - Subcontractors will report programmatic activities through the submission of the monthly client targeting report (NAPIS) and some supplements and/or other programmatic reporting documents as indicated. Reimbursement for the final month of a particular quarter will be contingent not only on receipt and approval of the monthly financial report, but of the programmatic information and reports as well.

AAA programmatic reports and the application package request information about units of service and unduplicated (UD) client counts.

Definitions for a unit of service vary for the different service categories and are stated as part of the Minimum Service Standards.

The unduplicated client count refers to the counting of a person receiving a service only one time within a fiscal year. A client is counted as unduplicated the first time he/she receives a particular service and is not counted again as UD for the entire contract period.

Since only new clients are reported in the UD count, it is common for the planned number of units of service to be greater than the planned number of UD clients.

If a subcontractor remains under subcontract for more than one year, the entire UD count is started over at the beginning of the new fiscal year.

Subcontractors must keep track of reported units of service and UD clients for each service category within their filing system. Verification of reported programmatic activity is part of the AAA's on-site monitoring.