

# OFFICIAL BID PRICE SHEET

Department of Human Services, Division of Provider Services  
and Quality Assurance

Inspections of Care  
Invitation for Bid 0710-19-1023

Date of Opening: March 18, 2019

Respondent:

Arkansas Foundation for Medical Care  
1020 West 4<sup>th</sup> Street  
Little Rock, AR 72201



*The contact listed below is authorized to address any questions about this IFB:*

Ray Hanley, President and Chief Executive Officer  
1020 West 4<sup>th</sup> Street  
Little Rock, AR 72201  
Phone: (501) 212-8610  
Email: [enterprisedevelopment@afmc.org](mailto:enterprisedevelopment@afmc.org)

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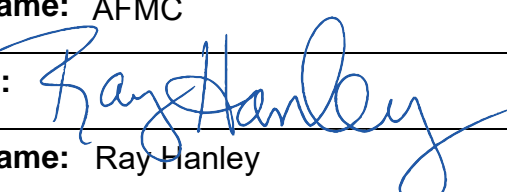
Prices **must** include all costs for performing the requirements stated in the Scope of Work, which includes all reporting to DHS. All fees for the requested services **must** be disclosed in your response.

Description	Estimated Annual Volume	Unit Price Per Review	Extended Amount
<b>Health &amp; Safety Licensure/Certification Reviews</b>			
ARChoices Providers	557	\$1,893.46	\$1,054,657.22
Fee-For-Service Outpatient Behavioral Health Services Providers	508	\$1,893.46	\$961,877.68
Substance Abuse Treatment Providers	40	\$1,893.46	\$75,738.40
<b>Quality of Care Reviews</b>			
ARChoices Providers (only Attendant Care and Respite providers)	362	\$2,916.53	\$1,055,783.86
Fee-for-service Outpatient Behavioral Health Services Providers	508	\$2,916.53	\$1,4981,597.24
Substance Abuse Treatment Providers	40	\$2,916.53	\$116,661.20
Division of Youth Services (DYS) Secure Residential Treatment Facilities	Changed from 7 to 5 per Addendum 1	\$2,916.53	\$14,582.65
DYS Specialized Residential Treatment Programs	Changed from 5 to 10 per Addendum 1	\$2,916.53	\$29,165.30
DYS Community-Based Youth Service Providers	15	\$2,916.53	\$43,747.95
<b>Inspection of Care Reviews</b>			
Inpatient Psychiatric Services Providers for Under 21 (U21) population	23 (in state)	\$7,840.71	\$180,336.33
Inpatient Psychiatric Services Providers for Under 21 (U21) population	11 (out of state)	\$7,840.71	\$86,247.81
<b>TOTAL</b>			<b>\$ 5,100,395.64</b>

The above quantities are estimates only and are subject to fluctuation. Estimated volume is intended to serve as a guide only and not a guarantee of minimum or maximum activity.

**AUTHORIZATION SIGNATURE**

By my signature below, I certify that the aforementioned statements are true and correct and that I accept the Terms and Conditions as presented in this bid, and that I am authorized by the respondent to submit this bid on his/her behalf.

<b>Vendor Name:</b> AFMC	<b>Date:</b> 03/18/2019
<b>Signature:</b> 	<b>Title:</b> President & CEO
<b>Printed Name:</b> Ray Hanley	

**Budget Justification**  
**IFB 710-19-1023**  
**IFB for Inspections of Care**

During its 45 years of existence, Arkansas Foundation for Medical Care (AFMC) has established and maintained a strong and versatile financial management system. Beginning with the retention of source documents, in many instances, longer than is statutorily required to the numerous financial and compliance audits conducted each year, AFMC is confident in its financial management abilities.

AFMC uses a project-based accounting system. There are numerous steps in the transaction process and many tasks must be accomplished to initiate, process, and account for a transaction. The system allows AFMC to maintain effective internal controls limiting system access based on job requirements and by segregating duties throughout the transaction process. Moreover, this system enables AFMC to segregate costs by contract and to accumulate associated direct costs by contract and task and is more than adequate for the accumulation, reporting, and billing of costs under any contract award. The system can gather costs for multiple projects and consolidate costs at multiple levels; account for all federal, state and private contracts according to the individual contract's terms; and track all contract ceilings while generating the information required to monitor budgets. Fully integrated sub-ledgers feed into the general ledger. There are sub-ledgers for Accounts Payable, Fixed Assets, Payroll, and Accounts Receivable/Billing. This ensures that accurate financial data is recorded in the general ledger from the source documents and that specific cost allowability is determined before final cost allocation.

All employees must complete and sign an automated timesheet each pay period. This information is fed into the payroll system from the automated time/expense collection system. This automation of information allows for the proper allocation of costs to the appropriate cost center. The fully automated expense module validates and tracks mileage reimbursements rates and per diems allowed under each contract. AFMC has fully embraced a virtually paperless environment in our accounting/finance department with all source documents scanned and stored electronically for easy retrieval.

Leave and fringe costs are collected in pools and allocated to individual projects/contracts based on the direct labor charged to these projects each month. Indirect costs are also pooled and allocated to individual projects/contracts based on total direct costs charged to these projects. Indirect costs are costs that are not directly attributable to a specific contract such as accounting, compliance and human resource salaries, etc.

Both the method described above for allocating leave, fringe and indirect costs and AFMC's accounting system has been reviewed and approved by the Defense Contract Audit Agency during the annual OMB Circular A-133/A-122 compliance audits required by AFMC's federal contracts.

For this proposal, we based our projected costs on the IFB and the related Questions and Answers. Labor costs were based on the staffing required to perform the tasks indicated in the IFB. We calculated the labor estimates using current salaries, recognizing that the IFB provides

for negotiating additional payments for salary cost increases, if any, during annual contract renewals. Labor costs are loaded with appropriate fringe costs. Fringe includes health, dental, life, short/long term disability insurance and pension in addition to mandated benefits such as FICA, worker's compensation insurance and unemployment insurance. Another component of expenses are external physician advisors and therapist as well as necessary supporting costs including software, equipment, telephone, postage, supplies, etc.