Calhoun County Community Mental Health Authority
(Summit Pointe)

REQUEST FOR PROPOSAL / PAYROLL SYSTEM

RFP 19-006

Released August 26, 2019

Section One: General Information

1.1   Purpose of RFP and General Conditions

Summit Pointe is seeking proposals for payroll processing services and a Human Resources Information System (HRIS) in a central, integrated system. Summit Pointe's intent is to "go-live" with the centralized payroll processing and HRIS on March 16, 2020.

Proposal submitted are expected to respond to all elements set forth below in this Request for Proposal (RFP). **Proposals will be accepted until 5:00 p.m. (EST) on October 1, 2019**. Submittals should be addressed to:

> Brad H. Sysol
> General Counsel
> bhs@summitpointe.org

Written responses and all supporting materials must be submitted via email as PDFs. **Responses must be clearly marked in the subject line of the email as: "Payroll System RFP 19-006."**

1.2   Description of Summit Pointe

Summit Pointe, more formally identified as the Calhoun County Community Mental Health Authority, is the community mental health services program that provides mental health, developmental disability, and substance use disorder services throughout Calhoun County, Michigan. It is a governmental entity with a 12-member Board of Directors with its day-to-day operations managed by a Chief Executive Officer and the leadership team. Its principal administrative offices are located in the city of Battle Creek, Michigan (a/k/a "Cereal City" due to the presence of Kellogg's Worldwide Corporate Headquarters and other cereal manufacturing facilities) at 140 W. Michigan Ave. Summit Pointe's annual revenues totals approximately $50,000,000, with an annual payroll in the amount of approximately $16,000,000.

Summit Pointe has two separate payrolls. One covers its administrative and union-represented staff, totaling approximately 250 employees. The second covers its "Connections Program" staff, with approximately 150 employees. Different withholding and other benefit rules apply to each payroll group.

1.3   Contact Point for Communications Regarding the RFP

Contact Name:	Brad H. Sysol
Contact Title:	General Counsel
Email:	bhs@summitpointe.org

• Summit Pointe will not accept or respond to any questions or requests for additional information regarding this RFP after the deadline below. All responses will be in writing and posted on Summit Pointe's website on the date below.

- ▪ *No phone calls will be accepted or returned regarding the RFP.*
- ▪ Should you have problems submitting emails to Brad Sysol, call 269-966-1460 for assistance.

1.4   Response Time Line

Activity	Timeline
Release of RFP:	8/26/19
Questions or Requests for Information due	9/6/19 by 5PM
Written Responses Posted	9/10/19 by 3PM
Proposals due to Summit Pointe:	10/1/19 by 5PM
Presentations and Interviews	Week of 10/7/19
Board Consideration	11/5/19
Notification of Selection	11/6/19
Anticipated "Go-Live" Date	3/16/20

Section Two: Rules Governing Proposals or Bids

2.1   Preparation Costs

Summit Pointe shall not be responsible for proposal preparation costs, nor for the costs, including but not limited to attorneys' fees, associated with any administrative, judicial or other type of challenge to the determination of the selected proposer or award of the contract, rejection of the proposal, or cancellation of this RFP. By submitting a proposal, each respondent agrees to be bound in this respect, waives all claims to cost or fees, and consents to the exclusive jurisdiction to courts in the state of Michigan for any such proceedings.

2.2   Public Information

As a governmental entity, Summit Pointe is subject to and must comply with the Michigan Freedom of Information Act. Accordingly, the content of all proposals will be kept confidential throughout the selection process. But after a selection under this RFP, all submittals shall be considered public records and information, and made available for inspection and copying upon a proper request under Michigan's FOIA.

2.3   Disposition of Proposals

All materials submitted in response to this RFP shall become the property of Summit Pointe immediately upon submission.

2.4   Modification of Proposals

Modifications of proposals will not be accepted by Summit Pointe, even if presented or submitted prior to the deadline for submissions to this RFP.

2.5   Late Submissions

Proposals not received prior to the date and time specified will not be considered and will be returned to the proposer without review and without Summit Pointe retaining a copy.

2.6   Acceptance / Rejection of Submittal

Summit Pointe reserves the right to reject any or all responses to this RFP, to waive minor irregularities in any proposal or in the RFP procedures, and to accept any proposal presented that meets or exceeds these specifications and which is deemed in the best interest of Summit Pointe. However, the requirements for timeliness shall not be waived. Summit Pointe also reserves the right to discontinue or cancel the RFP process at any time and for any or no reason, in whole or in part, including, but not limited to, the selection schedule, submittal date, and submittal requirements. The right to amend this RFP, giving equal information and cooperation to all vendors, is also reserved.

2.7   Proposal Review

It is the intent of Summit Pointe to conduct a comprehensive, fair and impartial evaluation of the proposals received in response to this RFP. Only entities meeting the mandatory criteria will have their proposals evaluated and scored. Following an initial evaluation process by a committee of individuals representing Summit Pointe, the committee may elect, in its sole discretion, to ask certain respondents to interview before the committee. The purpose of the interviews is to allow the firms selected to further expand upon and discuss their written submissions.

Summit Pointe reserves the right to award the contract or contracts to the firms that it believes, in its sole discretion, best meets the needs of the organization. Summit Pointe also reserves the right to request additional information or clarification from firms at any time during the RFP process.

The initial evaluation of proposals will utilize the following tool:

Review Item & Available Points:

- Company Information / 5 points
- Solution Overview / 35 points
- Implementation Process & Timeline / 25 points
- Hosted Services (SAAS) / 10 points
- Services & Supports / 20 points
- Pricing / 5 points

2.8 Acceptance of Proposal Content / Contract

The RFP response of the selected firm may become contractual obligations. Failure to accept these obligations may result in cancellation of the selection, and the firm may be required to reimburse Summit Pointe for damages incurred.

The firm selected will be required to enter into a Services Agreement for this work with Summit Pointe. Any contract resulting from this RFP shall not be effective unless, and until, approved by Summit Pointe's Board of Directors at a meeting open to the public. *The execution of any contract pursuant to this RFP is expressly conditioned upon approval by the Summit Pointe Board of Directors if the contract amount exceeds the annual sum of $50,000.* Before Summit Pointe executes a contract, the selected firm shall furnish Summit Pointe certificates evidencing errors and omissions insurance, as required by Summit Pointe.

The contract awarded shall also be governed in all respects by the laws of the state of Michigan, and any litigation related to the contract or contracts resulting from this RFP shall be brought in the state of Michigan, with venue in the U.S. District Court for the Western District of Michigan or the state courts in Calhoun County, Michigan.

2.9 Non-Discrimination

Summit Pointe's vendors shall not discriminate with respect to hire, tenure, terms, conditions or privileges of employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex, height, weight or marital status, or disability that is unrelated to the firm/broker's ability to perform the duties of a particular job or position. The firm shall observe and comply with all applicable federal, state and local laws, ordinances, rules and regulations.

2.10 Non-Collusion

Each respondent certifies that their proposal has not been made or prepared in collusion with any other firm and the prices, terms or conditions thereof have not been communicated by or on behalf of the firm to any other firm and will not be so communicated prior to the official receipt of their proposal. This certification may be treated for all purposes as if it were a sworn statement made under oath, subject to the penalties for perjury. Moreover, it is made subject to the provisions of 18 U.S. C. Section 1001, relating to the making of false statements.

Section Three: Preliminary Terms and Conditions

A formal contract will be used and shall control, subject to the specifications, requirements, and conditions contained in this RFP.

Summit Pointe shall retain the right to terminate any contract for payroll system services resulting from this RFP at any time and for any or no reason.

By submitting a proposal, you represent and warrant that your organization meets the following mandatory minimum qualifications:

- Has never been debarred or suspended from participation in federally-funded programs;
- Has experience with customers involving various and complex benefit plans; and
- Is an Equal Opportunity Employer.

SCOPE OF SERVICES

The respondent will provide a web-based, hosted solution for processing Summit Pointe's bi-weekly payroll and providing Summit Pointe's HRIS software. Overall, Summit Pointe desires a comprehensive and integrated HRIS/payroll solution to manage multiple aspects of Summit Pointe's human resources functions without the need for duplicate data-entry.

Payroll Processing Services - The following payroll services and capabilities are required by Summit Pointe:

- Bi-weekly, quarterly, and annual reports on payroll information (e.g., check register, labor distribution, etc.) in an electronic format.
- Process bi-weekly payroll for up to 400 employees through two separate payrolls.
- Process the following payment methods: direct deposit (ACH) and paper checks.
- Process split payments to multiple bank accounts or multiple payment methods.
- Process and distribute deductions to third parties associated with state, city, and federal income tax, benefits, and garnishments.
- Process voids and reissuance of disbursements.
- Process all applicable state, city, and federal income tax calculations and deductions from payroll.
- Process deductions related to benefits, garnishments, etc.
- Preparation of direct deposit files and checks for each payroll.
- Submission of tax payments electronically on behalf of Summit Pointe to city, State and Federal governments.
- Completion of all quarterly tax returns on behalf of Summit Pointe.
- Preparation of all W-2s on behalf of Summit Pointe.
- Provide external online access for employees to access pay statements and W-2s.
- Provide custom reporting capability.
- Provide web-based and mobile interfaces for employees.
- Enable online retrieval of pay stubs.
- Ability for employees to update direct deposit information.
- Ability for employees to update tax withholding information.
- Ability for employees to update address information.

HRIS Functionality - The HRIS software should include the following capabilities:

- Maintenance of employee information.
- Legal compliance (e.g., Healthcare Reform, ADA Compliance-Web, EEO-4, COBRA, FMLA, HIPAA, ACA tracking and reporting, etc.
- Web-based employee and manager self-service.

- Implementation of mass changes to employee information or benefits (e.g., health insurance premium changes as part of open enrollment, across-the-board pay increases).
- Reporting tools.
- Integration of time and attendance with payroll processing.

Technical Requirements - The payroll/HRIS software should meet the following requirements:

- Role-based security access controls, limiting access to personnel records to authorized users with escalated access privileges.
- The solution should include secure encryption technologies and certificates to ensure the confidentiality and integrity of data: at rest, in transmission and during processing.
- Transaction audit log that identifies users who have executed changes to data files and contains, at a minimum: original data, new data, date of change, identity of changer, and all changes to security access.
- Availability of detailed documentation and technical specifications including user manuals.
- Maintenance and technical support for both installation and on-going user support available between 8:00 a.m. and 5:00 p.m. Eastern Standard Time, Monday-Friday, via toll-free telephone number. Dedicated support team is preferred.
- Documented Disaster Recovery Plan to provide system and processing availability in the event of a disaster or other unforeseen event.
- Conversion of data from Summit Pointe's existing payroll system to the proposed solution.
- Export and import data function.
- Direct or API data query/import for integration into existing data warehouse systems.
- Ability to provide general ledger journal entry information to record payroll into accounting software interface.
- Ability to provide tax (quarterly income) information to the appropriate agency via a comparable file interface.
- Ability to provide benefit and garnishment information to appropriate third parties via a comparable file interface.
- Ability to provide electronic paystubs.
- Ability to post and distribute job postings online and to social job sites.
- Network hardware time clock solution that works with HID Proximity Cards.
- Ability to pull reports and data as needed.

RFP SUBMITTAL CONTENTS AND REQUIREMENTS

By submitting a proposal, you represent that you have (1) thoroughly examined and become familiar with the scope of services outlined in this RFP and (2) are capable of performing quality work to achieve Summit Pointe's objectives. The following information must accompany your proposal:

SECTION 1 – EXECUTIVE SUMMARY. Provide a brief, non-technical, summary level description of the contents of the proposal, your company, and its capabilities. Summit Pointe is also requesting the vendor to included responses to questions that are set forth below in **Attachment "A"** entitled "Overview, Difficulties, and Questions." Please note that detailed responses can be included in other sections of vendor's proposal as deemed necessary.

SECTION 2 – PROPOSED SOLUTION AND APPROACH. Provide a description of respondent's proposed solution to accomplish the specified scope of service requirements. Describe the proposed approach to providing Summit Pointe with desired functionality as outlined in the Scope of Services above. The proposed approach shall include a description of:

a) A project plan that includes tasks, milestones, deliverables and timeline for completion.
b) Project management methodology.
c) Summary of the functional requirements of the proposed HRIS/Payroll solution.
d) Security and controls.
e) Hardware and software requirements (if any).
f) Any necessary interfaces.
g) Internet based processes.
h) Implementation plan, including conversion of existing data; role of Summit Pointe staff and estimated time required by Summit Pointe staff.
i) Training to be provided.
j) Maintenance.
k) Technical support.
l) Cost, which should be itemized to include all licenses, implementation, training, support, and any additional fees that support information included in vendor's response.

References: Prior experience with similar projects is essential for any firm to provide the services required in this solicitation. This section shall consist of a minimum of three (3) references with project descriptions. In addition, contact information for each reference shall be provided with the name, address, phone number and email address. The contacts for each reference must be knowledgeable of the offeror's performance on the referenced project and the scope of services performed by the proposer.

The respondent's proposal shall answer all questions and provide all information requested below. If the respondent is unclear about a question or request for information, respondent should respond, indicating any assumptions made in developing the submitted information. If no response is provided, Summit Pointe will assume that the respondent does not desire to provide the related services. All responses should be sufficiently detailed to demonstrate the respondent's expertise and capabilities to provide the requested services.

Respondent's Company Overview
- History of your company, including major milestones in corporate development and personal biographies of your company's principals.
- Location, function, and hours of operation for all offices in your company that will be involved in servicing Summit Pointe's needs.

Infrastructure
- Provide a technical overview of the proposed on premise or cloud-based solution.
- What equipment or software (if any) would Summit Pointe need to purchase to convert to the proposed solution?
- What is the necessary bandwidth in order for the proposed solution to operate efficiently?
- What is the normal transaction on-line response time Summit Pointe can expect from your proposed solution? What is the maximum response time Summit Pointe can anticipate?

- What are the options and requirements for connectivity to the proposed solution? Is the web site mobile-enabled, or is there a mobile phone app?
- What is the typical bandwidth (peak and average) based on a representative entity of comparable size?
- Is a test environment provided during implementation?

General Training
- Describe how you would train Summit Pointe on the use of your proposed solution and services. Include associated costs, if any. Estimate the training resources required (both yours and Summit Pointe's) to successfully train personnel for implementation.
- Describe your approach to security administrator training.
- What ongoing training would you offer for Summit Pointe employees?
- How many hours do you estimate it takes to train a typical user by job function?
- Following implementation, would there be a means to sign on to a training system (aka a test database) from a workstation so that activity does not affect live accounts? If so, please describe this feature.

On-Going Support
- Describe your method of providing telephone support. Include location, organizational structure and level of capabilities of support staff. If you have more than one location, detail the area and level of support for each location. What is the typical hold time for an initial support call? How many of your support calls are typically resolved during the initial call? What is the average time to resolve calls that are not resolved on the initial call? What is the median?
- Do you provide e-mail, web-enabled access of other on-line support? What is the typical turnaround time for e-mail or other on-line support?
- Is it possible to receive support from your website? For example, do you have commonly asked questions posted on your website or the capability of real-time interactive support?
- What would be Summit Pointe's cost for support?
- What is your escalation procedure for problems?
- Describe your regular follow-up procedures for problem resolution.
- How do you notify clients of known issues or service outages?
- Do you schedule maintenance windows? Would maintenance windows be scheduled during standard business hours? How far in advance do you notify clients of scheduled maintenance windows? Do you provide information of what will be affected by scheduled maintenance?

Security
- What type of security does the proposed solution require for the user login and password? Can we integrate with our Active Directory to support Single Sign-On (SSO)?
- Are password security parameters fixed within the system or configurable by agency (password complexity, expiring passwords, age, reuse, previous passwords retention, etc.)?
- Describe the security surrounding the access and user profiles in the proposed solution.
- Describe the levels of security in the system at user, location, device and application levels. Can we limit the time keeping function to only originate within Summit Pointe's trusted network (Internet Provider IP address limitation)?

- Describe how the security of the product is either integrated with or segmented from the Operating System Security.
- Describe the overall process required to add/delete/modify accounts and passwords.
- Describe the process and systems employed by your company to safeguard data accessed or submitted by Summit Pointe, which reside on your network. (i.e., internal data security, backups and replication for disaster recovery, and the encryption of data transfer and password authentication and encryption).
- Please provide your Information Security Policies.
- Please provide your Incident Response and Disaster Recovery Plans.
- Does your company maintain a Security and Privacy Awareness Training program, in which all employees receive training at least annually? If so, please include dates of the last training.
- Please provide availability (up time) of your cloud based solution and recourse if the proposed solution would be unavailable for an extended period as well as your policies regarding scheduled or emergency maintenance to your product.
- Has your information system or cloud service been audited by an independent certified auditor or assessor within the last year? Please provide all SOC2/SOC3 reports for your environment.
- Please provide a Statement of Attestation for HIPAA compliance.

REMINDER: NON-WAIVABLE DUE DATES

Questions by 5PM on September 6, 2019

Proposals Due by 5PM on October 1, 2019

Presentations during the week of October 7, 2019 (if invited)

ATTACHMENT "A"
Overview, Difficulties, and Questions

Overview:

- Summit Pointe has a union contract with the International Union of Operating Engineers (IUOE).
- Administrative and union-represented staff totals approximately 250 employees.
- Connections Program staff totals approximately 150 employees, and are not subject to the Collective Bargaining Agreement with the IUOE or individual employment contracts. The majority of Connections staff work under contracts between Summit Pointe and the Federal Government.
- Administrative staff and union-represented employees do not pay, and Summit Pointe does not withhold, social security taxes. Instead, these employees contribute 6.2% of their wages, and Summit Pointe contributes (or "picks up") an amount equal to 6.2% of wages, to private retirement accounts held by employees. Employees may make a one-time, irreversible election at the beginning of their employment to opt-out of this Social Security Alternative Plan and instead pay into the federal Social Security System. At the present time, one employee has opted out of the Social Security Alternative Plan.
- All FICA taxes are paid and withheld on behalf of Connections employees.
- Union-represented staff accrue hours for Paid Time Off pursuant to rates set forth in the CBA with the IUOE, which accrue at different rates based on length of service per the CBA. PTO banks are also capped at different levels based on length of service.
- Connections staff accrue certain hours for time off as required under Federal contracts and Michigan's earned sick paid time off Act.
- Pursuant to written employment agreements, Administrative staff typically receive a certain lump sum of hours for paid time off on July 1 of each year for use during the next 12-month period.
- HUB provides employee benefits services to Summit Pointe, including an online portal for employees to enroll during open enrollment and to make changes throughout the year.
- Empower Retirement is the third party administrator of Summit Pointe's retirements plan, which includes both a traditional 401(k) (including Roth) and the Social Security Alternative Plan.
- The CBA between Summit Pointe and the IUOE drives various functions, such as longevity, benefit accrual, etc.
- Summit Pointe has approximately 40 different pay codes.

Difficulties and Questions:

- Will Summit Pointe have a test environment? If yes, will it always be available?
- Is there an ACA function, tracking hours, 1095 printing, and IRS electronic reporting?
- Is there a City tax withholding option?
- Is there a process for creating a separate check after payroll has run?
- Summit Pointe pays alternative compensation (or performance bonuses) on a quarterly basis separate and apart from the regular biweekly payroll. Will your system allow for such special

check runs?

- Several high earners at Summit Pointe run into IRS limits on retirement plan contributions. These include, for instance, the 402(g) elective deferral limits, the section 415 limits, and the annual 401(a)(17) compensation limits. Some of these high-earners also take advantage of Age-50 catch up contributions. These limits present challenges to payroll processing every year. Please note that contributions under the Social Security Alternative Plan are mandatory and cannot be modified in any payroll period unless and until an IRS limit is met. What tools do you have to monitor and alert clients and their employees to these limits?

- Does your time and attendance system track accumulated points for tardiness or absences based on a client's point system, and how is that reported out to management?