

Lansing, Michigan

April 13, 2021

A regular meeting of the State Administrative Board was held on Tuesday, March 13, 2021, at 11:00 a.m.

Present: Jessica Weare, representing Gretchen Whitmer, Governor, Chairperson,
remotely called in from Ingham County
Danielle El-Amin, representing Garlin Gilchrist, Lt. Governor,
remotely called in from Wayne County
Cindy Paradine, representing Jocelyn Benson, Secretary of State,
remotely called in from Eaton County
Daniel Sonneveldt, representing Dana Nessel, Attorney General,
remotely called in from Ingham County
Stacey Bliesener, representing Rachael Eubanks, State Treasurer,
remotely called in from Eaton County
Ross Fort, representing Micheal F. Rice, Superintendent of Public Instruction,
remotely called in from Ingham County
Laura Mester, representing Paul Ajegba, Director, Department of
Transportation, remotely called in from Clinton County
Shelby Troub, Secretary

Others Present: Jim Shell, Attorney General's Office; Peter Ruddell, Honigman; Manny Lentine

1. CALL TO ORDER:

Ms. Weare called the meeting to order and led the Pledge of Allegiance to the Flag.

2. READING OF MINUTES OF PRECEDING MEETING AND APPROVAL THEREOF:

Ms. Mester moved to approve the minutes of the regular meeting of March 30, 2021. Supported by Ms. Paradine the motion was unanimously adopted.

3. HEARING OF CITIZENS ON MATTERS FALLING UNDER JURISDICTION OF THE BOARD:

Mr. Ruddell, Honigman LLP, on behalf of Corizon Health opposed item 9(1) of section 5 from the Finance & Claims Agenda.

Mr. Ambrosier, Department of Technology, Management and Budget/ Central Procurement Services stated he had no additional comments to add from the Finance and Claims Committee meeting held prior to this State Administrative Board meeting.

Ms. Weare, Governor's Office, thanked Mr. Ruddell for speaking at the meeting.

4. COMMUNICATIONS

A letter with attachments dated April 12, 2021, received via email, from Peter Ruddell, Honigman, LLP, on behalf of Corizon Health, Inc., regarding prisoner healthcare and pharmacy services contract for approval at the April 13, 2021, State Administrative Board meeting

5. UNFINISHED BUSINESS:

None

6. NEW BUSINESS:

RETENTION AND DISPOSAL SCHEDULES

Health and Human Services
Office of Legal Affairs (OLA), 4/13/2021

Military and Veterans Affairs
Michigan Veterans' Trust Fund (VTF), 4/13/2021

Treasury
Community Services Division (CSD), 4/13/2021

Ms. Mester moved to approve the Retention and Disposal Schedules. Supported by Mr. Fort and the motion was unanimously approved.

7. REPORTS AND RECOMMENDATIONS OF COMMITTEES:

(Please see the following pages)

APPROVED

April 13, 2021

Michigan State
Administrative Board

COMMITTEE REPORT TO THE STATE ADMINISTRATIVE BOARD

The Honorable Gretchen Whitmer, Governor
and
Members of the State Administrative Board

A regular meeting of the **Building** Committee was held at **11:00 a.m.** on **April 13, 2021.**
Those present being:

Chairperson: Stacey Bliesener, representing Approved _____
 State Treasurer Eubanks

Member: Jessica Weare, representing Approved _____
 Governor Whitmer

Member: Danielle El-Amin, representing Approved _____
 Lt. Governor Gilchrist

Others: Jim Shell, Dan Sonneveldt, Attorney General's Office, Ross Fort, Department of
 Education; Cindy Paradine, Department of State; Jared Ambrosier, Shelby Troub,
 Department of Technology, Management and Budget; Laura Mester, Department of
 Transportation; Peter Ruddell, Honigman; Manny Lentine

Ms. Bliesener, remotely called in from Eaton County, Michigan
Ms. Weare, remotely called in from Ingham County, Michigan
Ms. El-Amin, remotely called in from Wayne County, Michigan

Ms. Bliesener called the meeting to order.

The Building Committee regular agenda and supplemental agenda were presented.

Following discussion, Ms. Weare, moved that the regular agenda and supplemental agenda be recommended to the State Administrative Board. The motion was supported by Ms. El-Amin, and unanimously adopted.

Ms. Bliesener adjourned the meeting.

A G E N D A

BUILDING COMMITTEE / STATE ADMINISTRATIVE BOARD

April 13, 2021 / April 13, 2021
11:00 A.M. Virtual Meeting

.....

This agenda is for general informational purposes only. At its discretion, the Building Committee may revise this agenda and may take up other issues at the meeting.

AWARD OF CONSTRUCTION CONTRACTS

1. DEPARTMENT OF CORRECTIONS, JACKSON – Egeler Reception and Guidance Center – Food Service Floor Renovations
File No. 472/19446.CDP - Contract No. Y21162
Recommended Contract Award: RAS Contracting, Mason; \$284,500.00

Description and Justification

The purpose of this contract is to renovate the floor in the food service building. The existing floor is worn and in need of replacement.

Funding Source

100% Agency Operating Funds

2. DEPARTMENT OF NATURAL RESOURCES, BLISS TOWNSHIP – Wilderness State Park – Phase V East Lakeshore Campground Redevelopment
File No. 751/20111.TAP - Contract No. Y21163
Recommended Contract Award: MKC Group, Inc., Bay City; \$2,186,755.85

Description and Justification

The purpose of this contract is to provide for the redevelopment of aged infrastructure beyond its design life cycle according to the overall park improvement masterplan as phase V in the latest series of improvements. This work will result in modern campground facilities meeting current agency standards and camper use needs and expectations, and will result in ADA compliance, reduced energy, operation and maintenance costs, and improvements to user accommodations and services.

Funding Source

100% Agency Operating Funds

MODIFICATION TO PROFESSIONAL SERVICES CONTRACTS

3. DEPARTMENT OF NATURAL RESOURCES, HANCOCK – Hancock to Calumet Trail – Hancock to Calumet Trail Repairs
File No. 751/14068.JBB - Contract No. Y14141
OHM Advisors, Hancock; Modification No. 14, Increase \$705,855.00

Description and Justification

The purpose of this modification is to provide additional professional design services to complete construction documents and construction administration for the trail lengths indicated in the scope of work. This is necessary to meet the agency's long-term objective of restoring a single trail along the 2 corridors that were severely damaged during the flooding event in 2018. Failure to perform this work will result in both trails remaining closed due to the damage.

Funding Source

100% Agency Operating Funds

Base Contract	\$56,289.40	
Modification No. 1	\$2,500.00	Approved on Director's Agenda 04/11/2014
Modification No. 2	\$25,090.99	Approved on Director's Agenda 05/16/2014
Modification No. 3	\$3,072.50	Approved on Director's Agenda 05/08/2015
Modification No. 4	\$15,217.24	Approved on Director's Agenda 07/17/2015
Modification No. 5	\$15,433.80	Approved on Director's Agenda 10/23/2015
Modification No. 6	\$13,778.90	Approved on Director's Agenda 11/06/2015
Modification No. 7	\$2,160.00	Approved on Director's Agenda 02/10/2017
Modification No. 8	\$88,478.54	Approved on Director's Agenda 07/13/2018
Modification No. 9	\$84,057.30	Approved on Director's Agenda 04/19/2019
Modification No. 10	\$168,648.61	Approved on Director's Agenda 08/27/2019
Modification No. 11	\$0.00	No Cost Change Order
Modification No. 12	\$0.00	No Cost Change Order
Modification No. 13	\$23,472.10	Approved on Ad Board Agenda 10/13/2020
Modification No. 14	\$705,855.00	See Justification Above
Total Contract	\$1,204,054.38	

4. DEPARTMENT OF ENVIRONMENT, GREAT LAKES AND ENERGY, MILFORD
 – Coe's Cleaners Site – Vapor Intrusion Investigation
 File No. 761/16174.SAR - Contract No. Y16237
 Weston Solutions of Michigan, Inc., Okemos; Modification No. 6, Increase
 \$66,000.00

Description and Justification

The purpose of this modification is to provide additional professional design services to continue operation and maintenance oversight and monitoring for 2 additional years. The site is a former dry cleaner. The tasks defined for this work include reviewing

monthly operation and maintenance reports and site data; reviewing monthly invoices and inspecting the system as needed; reviewing monthly data collected by the operation and maintenance contractor and completing monthly online National Pollutant Discharge Elimination System permit reporting. The work is needed to protect public health, safety, welfare, and the environment.

Funding Source

100% Strategic Water Quality Initiative Funds

Base Contract	\$42,619.74	
Modification No. 1	\$29,443.66	Approved on Director's Agenda 03/23/2018
Modification No. 2	\$21,549.98	Approved on Director's Agenda 12/21/2018
Modification No. 3	\$96,608.94	Approved on Director's Agenda 01/18/2019
Modification No. 4	\$40,454.66	Approved on Director's Agenda 05/03/2019
Modification No. 5	\$40,500.00	Approved on Director's Agenda 12/19/2020
Modification No. 6	\$66,000.00	See Justification Above
Total Contract	\$337,176.98	

5. DEPARTMENT OF ENVIRONMENT, GREAT LAKES AND ENERGY, ANN ARBOR – Armen Cleaner Site – Excavation and Disposal of Contaminated Soil
File No. 761/17206.SAR - Contract No. Y17282
AMEC Engineering and Consulting of Michigan, Inc., Novi; Modification No. 2
Increase \$367,773.78

Description and Justification

The purpose of this modification is to provide additional professional design services for the building demolition and excavation/disposal of tetrachloroethylene contaminated soil at a former dry-cleaning facility. The tasks defined for this work include remedial design for the excavation and disposal of contaminated soil; identifying appropriate disposal methods based on waste characterization of the site soil; completion of a pre-demolition survey of the site building; preparation of bid specifications for building demolition and remedial excavation; assisting with construction contractor procurement and providing contractor oversight; providing ambient air monitoring during excavation activities; and reporting. The work is needed to protect public health, safety, welfare, and the environment.

Funding Source

100% Strategic Water Quality Initiative Funds

Base Contract	\$282,000.00	
Modification No. 1	\$51,559.00	Approved on Director's Agenda 09/29/2017
Modification No. 2	\$367,773.78	See Justification Above

Total Contract	\$701,332.78	
-----------------------	---------------------	--

REVISIONS TO CONSTRUCTION CONTRACTS

6. DEPARTMENT OF CORRECTIONS, MUSKEGON – Muskegon Correctional Facility – Chiller Replacement
 File No. 472/17043.DCS - Contract No. Y18142
 Tamarack Builders, Inc., Lakeview; CCO No. 6, Increase \$17,320.00

Description and Justification

The purpose of this change order is to remove and replace deteriorated steam traps within the facility. The agency surveyed and investigated the entire facility to inspect the current operating conditions of all steam traps. The completed survey found that 9 steam traps failed and require replacement. This additional scope of work was discovered during the ongoing construction activities and will restore the heat system to its proper operating condition.

Funding Source

100% Agency Operating Funds

Base Contract	\$974,000.00	
Change Order No. 1	\$109,182.00	Approved on Director's Agenda 03/30/2018
Change Order No. 2	\$158,228.00	Approved on Director's Agenda 09/21/2018
Change Order No. 3	\$36,059.46	Approved on Director's Agenda 03/22/2019
Change Order No. 4	\$80,658.00	Approved on Director's Agenda 05/03/2019
Change Order No. 5	\$63,158.00	Approved on Director's Agenda 11/19/2019
Change Order No. 6	\$17,320.00	See Justification Above
Total Contract	\$1,438,605.96	

7. DEPARTMENT OF CORRECTIONS, WHITMORE LAKE – Woodland Center Correctional Facility – Dialysis Housing Unit and Center
 File No. 472/20212.SDW - Contract No. Y20325
 RAS Contracting, Inc., Mason; CCO No. 5, Increase \$129,031.21

Description and Justification

The purpose of this change order is to add funding to the construction contract to cover scope changes and multiple field conditions that have been encountered during construction, and a contract extension of 14 calendar days.

Funding Source

100% Agency Operating Funds

Base Contract	\$3,085,750.00	
---------------	----------------	--

Change Order No. 1	\$79,371.59	Approved on Director's Agenda 11/20/2020
Change Order No. 2	\$83,254.58	Approved on Director's Agenda 01/29/2021
Change Order No. 3	\$49,266.23	Approved on Director's Agenda 03/05/2021
Change Order No. 4	\$35,631.23	Approved on Director's Agenda 03/26/2021
Change Order No. 5	\$129,031.21	See Justification Above
Total Contract	\$3,462,304.84	

8. DEPARTMENT OF MILITARY AND VETERANS AFFAIRS, AUGUSTA – Fort Custer – Repair Territorial Road Culvert
 File No. 511/19168.AGY - Contract No. Y20048
 E.T. MacKenzie Company, LLC, Grand Ledge; CCO No. 2, Increase \$35,261.63

Description and Justification

The purpose of this change order is to increase the new Armstrong Road culvert width to 7 feet. The joint permit review required the new specified width.

Funding Source

100% Federal Funds

Base Contract	\$210,300.00	
Change Order No. 1	\$274,475.04	Approved on Ad Board Agenda 07/21/2020
Change Order No. 2	\$35,261.63	See Justification Above
Total Contract	\$520,036.67	

9. DEPARTMENT OF ENVIRONMENT, GREAT LAKES AND ENERGY, MILFORD – Coe's Cleaners Site – Operation and Maintenance
 File No. 761/09424.SAR - Contract No. Y16180
 EnviroSolutions, Inc., Westland; CCO No. 3, Increase \$170,416.64

Description and Justification

The purpose of this change order is to continue operation and maintenance of the existing groundwater pump and treatment system for 2 additional years. The site is a former dry-cleaning facility where chlorinated solvents from operation contaminated the groundwater. The pump and treatment system intercept the contaminated groundwater plume and prevents its migration to drinking water wells. The tasks defined for this work include routine operation and maintenance, site visits, quarterly and semi-annual groundwater sampling, air stripper disassembly and cleaning, and monthly permit reporting. The work is needed to protect public health, safety, welfare, and the environment.

Funding Source

100% Strategic Water Quality Initiative Funds

Base Contract	\$189,894.00	
Change Order No. 1	\$39,136.50	Approved on Director's Agenda 04/06/2018
Change Order No. 2	\$251,323.96	Approved on Director's Agenda 01/18/2019
Change Order No. 3	\$170,416.64	See Justification Above
Total Contract	\$650,771.10	

10. DEPARTMENT OF NATURAL RESOURCES, DETROIT – Belle Isle – Flatwoods Restoration

File No. 751/17120.MNB - Contract No. Y21012

Anglin Civil, LLC, Livonia; CCO No. 2, Increase \$266,920.58

Description and Justification

The purpose of this change order is to re-introduce and add to the project scope the alternates which were deducted at the time of accepting the bid. These alternates included the demolition of an abandoned building and adding asphalt paths, and the demolition of abandoned utilities from the golf course including light poles, fences, gates and scrap metal. Removing the abandoned building and utilities will enhance safety.

Funding Source

100% Great Lakes Restoration Initiative Funds

Base Contract	\$2,543,866.61	
Change Order No. 1	\$146,356.23	Approved on Director's agenda 03/27/2021
Change Order No. 2	266,920.58	See Justification Above
Total Contract	\$2,957,143.42	

SUPPLEMENTAL AGENDA

BUILDING COMMITTEE / STATE ADMINISTRATIVE BOARD

April 13, 2021/ April 13, 2021

11:00 A.M. Virtual Meeting

.....

This agenda is for general informational purposes only. At its discretion, the Building Committee may revise this agenda and may take up other issues at the meeting.

AWARD OF CONSTRUCTION CONTRACT

1. DEPARTMENT OF CORRECTIONS, ST. LOUIS – St. Louis Correctional Facility
– HVAC Improvements
File No. 472/19110.JAG - Contract No. Y21176
Recommended Contract Award: MKC Group, Inc., Bay City; \$1,349,144.00

Description and Justification

The purpose of this contract is to provide and preform upgrades to the existing heating, ventilating and air conditioning system. The facility is over 20 years old, and the existing HVAC system has become high maintenance. The existing system is not energy efficient and no longer functions at peak capacity. The facility would like to upgrade the system in multiple buildings to resolve these issues. This project will reduce energy consumption and reduce maintenance costs.

Funding Source

100% Agency Operating Funds

MODIFICATION TO PROFESSIONAL SERVICES CONTRACT

2. DEPARTMENT OF ENVIRONMENT, GREAT LAKES AND ENERGY
MANCELONA – Wickes Manufacturing Trichloroethylene Plume Site –
Groundwater and Surface Water Monitoring
File No. 761/19129.SAR - Contract No. Y19081
AMEC Engineering and Consulting of Michigan, Inc., Novi; Modification No. 4
Increase \$641,518.19

Description and Justification

The purpose of this modification is to provide additional professional design services to address the contamination of trichloroethylene plume and potential impact to drinking and surface water. The site is a former auto parts manufacturing facility. Operational use and disposal practices of trichloroethylene have resulted in soil and groundwater contamination. The tasks defined for this work include the development of operation and maintenance plans for 3 vapor mitigation systems; performance monitoring and reporting for 2 years; installation of new groundwater monitoring wells/vapor points; and

reporting. The work is needed to protect public health, safety, welfare, and the environment.

Funding Source

100% Clean Michigan Initiative Funds

Base Contract	\$240,248.26	
Modification No. 1	\$425,410.71	Approved on Director's Agenda 02/15/2019
Modification No. 2	\$238,577.07	Approved on Ad Board Agenda 03/24/2020
Modification No. 3	\$248,395.42	Approved on Ad Board Agenda 06/09/2020
Modification No. 4	\$641,518.19	See Justification Above
Total Contract	\$ 1,794,149.65	

Ms. Bliesener presented the Building Committee Report for the regular meeting of April 13, 2021. After review of the foregoing Building Committee Report, Ms. Bliesener moved that the Report covering the regular meeting of April 13, 2021, be approved and adopted. The motion was supported by Ms. Mester, and unanimously approved.

COMMITTEE REPORT TO THE STATE ADMINISTRATIVE BOARD

The Honorable Gretchen Whitmer, Governor
and
Members of the State Administrative Board

A regular meeting of the **Finance and Claims** Committee was held at **11:00 a.m.** on **April 13, 2021**. Those present being:

Chairperson: Stacey Bliesener, representing Approved _____
State Treasurer Eubanks

Member: Jessica Weare, representing Approved _____
Governor Whitmer

Member: Dan Sonneveldt, representing Approved _____
Attorney General Nessel

Others: Jim Shell, Attorney General's Office; Ross Fort, Department of Education; Danielle El-Amin, Lt. Governor's Office; Cindy Paradine, Department of State; Jared Ambrosier, Shelby Troub, Department of Technology, Management and Budget; Laura Mester, Department of Transportation; Peter Ruddell, Honigman LLP; Manny Lentine

Ms. Bliesener, remotely called in from Eaton County, Michigan
Ms. Weare, remotely called in from Ingham County, Michigan
Ms. Sonneveldt, remotely called in from Ingham County, Michigan

Ms. Bliesener called the meeting to order.

The Finance and Claims Committee regular agenda was presented.

Mr. Peter Ruddell, Honigman, LLP., spoke on behalf of Corizon Health. Mr. Ruddell opposed item 9(1), Section 5 on the agenda.

Mr. Jared Ambrosier, Department of Technology, Management and Budget (DTMB)/ Central Procurement Services (CPS), stated that Request for Proposal (RFP) was done out of Central Procurement Services office and they followed all policies and procedures.

Mr. Ross Fort, Department of Education, asked Mr. Ambrosier to answer Mr. Ruddell's questions regarding how the State determined if Grand Prairie Health Care Services met the State's capitalization requirements, what is a nominal bidder, and why didn't Wellpath submit a bid directly themselves.

Mr. Ambrosier stated that DTMB/CPS received bid clarification process letters of liability and the company is bondable by a bank which addresses financial concerns. The RFP did not require the bidders to provide staffing levels, but performance levels and staffing plans were provided. He also stated that Grand Prairie Health Care Services and Wellpath submitted a bid together. Grand Prairie Health Care Services is the primary bidder. Their workmanship was combined and evaluated.

Ms. Danielle El-Amin, Lt. Governor's Office, asked if this is the first time a combined submission has happened. Was the nominal bidder's policy created because of this submission and will this be more accepted in the future?

Mr. Ambrosier stated they receive bids with a prime subcontractor relationship. In many cases, it is the subcontractor that does the majority of the work.

Ms. Bliesener stated she was satisfied with the questions and responses.

Following discussion, Ms. Weare moved the regular agenda be recommended to the State Administrative Board. The regular agenda includes reporting of emergency purchases with section 9 that are not subject to approval by the Committee or the full State administrative Board and are only included to satisfy notice requirements under section 6 of Board Resolution 2019-1. The motion was supported by Mr. Sonneveldt and unanimously adopted.

Ms. Bliesener adjourned the meeting.

4/9/2021 10:30 a.m. Final

A G E N D A

FINANCE AND CLAIMS COMMITTEE

April 13, 2021, 11:00 a.m.
Virtual Meeting

STATE ADMINISTRATIVE BOARD

April 13, 2021, 11:00 a.m.
Virtual Meeting

This agenda is for general informational purposes only.
At its discretion, the Finance and Claims Committee may revise this
agenda and may take up other issues at the meeting.

SECTION 1 - AGENCY SUBMITTED – NEW CONTRACTS

1. DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

- 1.) City of Grayling, Grayling, MI
 - \$1,780,046.00 Total
 - FY21-23 100% Federal Funds Camp
 - Camp Grayling general fire services – airfield and MATES
- 2.) Frederic Township, Frederic, MI
 - \$1,256,250.00 Total
 - FY21-23 100% Federal Funds
 - Camp Grayling substation fire services

SECTION 2 - AGENCY SUBMITTED – CONTRACT CHANGES

2. DEPARTMENT OF CORRECTIONS

- 1.) Rocky Brands, dba Lehigh Outfitters, LLC., Nelsonville, OH
 - \$100,000.00 Amendment
 - \$349,000.00 New Total
 - FY21-22 100% Revolving Funds (*Correctional Industries*)
 - Add funds to continue to purchase boots for MDOC Corrections officers, including cadets

3. DEPARTMENT OF HEALTH AND HUMAN SERVICES

- 1.) Care & Delivery Services, Inc., Bay City, MI
 - \$100,000.00 Amendment
 - \$267,000.00 New Total
 - FY21-23 100% General Funds
 - Add funds and exercise an option year to continue to provide Family Assistance Program services

3. DEPARTMENT OF HEALTH AND HUMAN SERVICES continued

2.) Family Services & Children's Aid, Jackson, MI

- \$70,000.00 Amendment
- \$262,500.00 New Total
- FY21-22 100% Federal Funds
- Add funds and exercise an option year to continue providing Parent Education – Home Based services

3.) Orchards Children's Services, Southfield, MI

- \$83,612.69 Amendment
- \$327,225.38 New Total
- FY21-22 100% Federal Funds
- Add funds and exercise an option year to continue providing Families Together Building Solutions services

4.) Samaritas, Detroit, MI

- \$164,000.00 Amendment
- \$902,000.00 New Total
- FY21 100% Federal Funds
- Add funds and extend the contract one year to continue providing Families Together Building Solutions services

SECTION 3 - AGENCY SUBMITTED – NEW GRANTS

4. DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

1.) Township of Scio, Ann Arbor, MI

- \$825,000.00 Total
- FY21-23 100% Restricted Funds
- In-state for the purchase of permanent agricultural conservation easement rights

5. DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY

1.) City of Grand Rapids Brownfield Redevelopment Authority, Grand Rapids, MI

- \$1,000,000.00 Total
- FY21-23 100% Restricted Funds (*Renew Michigan Fund*)
- An industrial office development to help revitalize the city of Grand Rapids

5. DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY
continued

2.) Grand Haven Brownfield Redevelopment Authority, West Olive, MI

- \$1,000,000.00 Total
- FY21-23 100% Restricted Funds (*Renew Michigan Fund*)
- A residential development to help revitalize the city of Grand Haven

3.) City of Muskegon Heights, Muskegon Heights, MI

- \$1,000,000.00 Total
- FY21-23 100% Restricted Funds (*Renew Michigan Fund*)
- A mixed-use retail and residential development to help revitalize the city of Muskegon Heights

6. DEPARTMENT OF HEALTH AND HUMAN SERVICES

1.) CMH Partnership of Southeast Michigan, Ann Arbor, MI

- \$966,159.00 Total
- FY21 100% Federal Funds
- Provides funds to promote effective planning, monitoring, and oversight of efforts to deliver Substance Use Disorder (SUD) prevention, intervention, treatment, and recovery services and address SUD related needs during COVID-19 pandemic

2.) County of Macomb-CMH, Clinton Township, MI

- \$1,015,538.00 Total
- FY21 100% Federal Funds
- Provides funds to promote effective planning, monitoring, and oversight of efforts to deliver Substance Use Disorder (SUD) prevention, intervention, treatment, and recovery services and address SUD related needs during COVID-19 pandemic

3.) Detroit-Area Agency on Aging, Detroit, MI

- \$971,000.00 Total
- FY21 100% Federal Funds
- Provides funds to support Michigan's Area Agencies on Aging (AAA) in their COVID-19 vaccination efforts

4.) Detroit-Wayne Mental Health Authority, Detroit, MI

- \$3,408,317.00 Total
- FY21 100% Federal Funds
- Provides funds to promote effective planning, monitoring, and oversight of efforts to deliver Substance Use Disorder (SUD) prevention, intervention, treatment, and recovery services and address SUD related needs during COVID-19 pandemic

6. DEPARTMENT OF HEALTH AND HUMAN SERVICES continued

- 5.) Hope Network Behavioral Health Services, Grand Rapids, MI
 - \$500,000.00 Total
 - FY21 100% Federal Funds
 - Provides funds to promote effective planning, monitoring, and oversight of efforts to deliver Substance Use Disorder (SUD) prevention, intervention, treatment, and recovery services and address SUD related needs during COVID-19 pandemic
- 6.) Lakeshore Regional Entity, North Shores, MI
 - \$1,672,733.00 Total
 - FY21 100% Federal Funds
 - Provides funds to promote effective planning, monitoring, and oversight of efforts to deliver Substance Use Disorder (SUD) prevention, intervention, treatment, and recovery services and address SUD related needs during COVID-19 pandemic
- 7.) Mid-State Health Network, Lansing, MI
 - \$2,459,924.00 Total
 - FY21 100% Federal Funds
 - Provides funds to promote effective planning, monitoring, and oversight of efforts to deliver Substance Use Disorder (SUD) prevention, intervention, treatment, and recovery services and address SUD related needs during COVID-19 pandemic
- 8.) NorthCare Network, Marquette, MI, MI
 - \$519,919.00 Total
 - FY21 100% Federal Funds
 - Provides funds to promote effective planning, monitoring, and oversight of efforts to deliver Substance Use Disorder (SUD) prevention, intervention, treatment, and recovery services and address SUD related needs during COVID-19 pandemic
- 9.) Northern Michigan Regional Entity, Gaylord, MI
 - \$814,840.00 Total
 - FY21 100% Federal Funds
 - Provides funds to promote effective planning, monitoring, and oversight of efforts to deliver Substance Use Disorder (SUD) prevention, intervention, treatment, and recovery services and address SUD related needs during COVID-19 pandemic

6. DEPARTMENT OF HEALTH AND HUMAN SERVICES continued

10.) Oakland Community Health Network, Troy, MI

- \$1,272,339.00 Total
- FY21 100% Federal Funds
- Provides funds to promote effective planning, monitoring, and oversight of efforts to deliver Substance Use Disorder (SUD) prevention, intervention, treatment, and recovery services and address SUD related needs during COVID-19 pandemic

11.) Region 10, Port Huron, MI

- \$1,122,356.00 Total
- FY21 100% Federal Funds
- Provides funds to promote effective planning, monitoring, and oversight of efforts to deliver Substance Use Disorder (SUD) prevention, intervention, treatment, and recovery services and address SUD related needs during COVID-19 pandemic

12.) Southwest Michigan Behavioral Health, Portage, MI

- \$1,297,873.00 Total
- FY21 100% Federal Funds
- Provides funds to promote effective planning, monitoring, and oversight of efforts to deliver Substance Use Disorder (SUD) prevention, intervention, treatment, and recovery services and address SUD related needs during COVID-19 pandemic

7. DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY

1.) Various (*See bid tab*)

- \$6,253,216.00 Total
- FY21-23 100% Federal Funds
- To strategically scale the Registered Apprenticeship Program (RAP) training model into new industry sectors, occupations, and increasing diversity of RAP participants by recruiting veterans and their spouses, youth, and other demographic groups historically underrepresented with RAPs (including women, people of color, ex-offenders, and persons with disabilities)

SECTION 4 - AGENCY SUBMITTED – GRANT CHANGES

8. DEPARTMENT OF HEALTH AND HUMAN SERVICES

- 1.) Area Agency on Aging 1-B, Southfield, MI
 - \$3,243,895.00 Amendment
 - \$35,306,661.00 New Total
 - FY21 64.05% Federal Funds; 35.95% General Funds
 - Provides funds to administer the MI Choice Home and Community based services for the Elderly and Disabled Medicaid Waiver program
- 2.) Area Agency on Aging of Western, Inc., Grand Rapids, MI
 - \$980,526.00 Amendment
 - \$25,116,379.00 New Total
 - FY21 64.05% Federal Funds; 35.95% General Funds
 - Provides funds to administer the MI Choice Home and Community based services for the Elderly and Disabled Medicaid Waiver program
- 3.) Detroit Area Agency on Aging, Detroit, MI
 - \$1,854,804.00 Amendment
 - \$35,138,147.00 New Total
 - FY21 64.05% Federal Funds; 35.95% General Funds
 - Provides funds to administer the MI Choice Home and Community based services for the Elderly and Disabled Medicaid Waiver program
- 4.) Michigan Health Information Technology Network, East Lansing, MI
 - \$15,669,664.00 Amendment
 - \$26,831,167.00 New Total
 - FY21 91.72% Federal Funds; 8.12% General Funds; 0.16% Restricted Funds
 - Provides funding for and allocates grant funding to various health and human services projects
- 5.) Michigan State University, East Lansing, MI
 - \$1,844,116.00 Amendment
 - \$19,247,367.00 New Total
 - FY21 74.47% Federal Funds; 16.59% Local Funds; 6.80% General Funds; 2.14% Restricted Funds
 - Provides funding for and allocates grant funding to various health and human services projects

8. DEPARTMENT OF HEALTH AND HUMAN SERVICES continued

6.) Northwest Senior Resources, Traverse City, MI

- \$1,169,447.00 Amendment
- \$14,617,882.00 New Total
- FY21 64.05% Federal Funds; 35.95% General Funds
- Provides funds to administer the MI Choice Home and Community based services for the Elderly and Disabled Medicaid Waiver program

7.) Region 3B Area Agency on Aging, Battle Creek, MI

- \$2,768,591.00 Amendment
- \$18,925,776.00 New Total
- FY21 64.05% Federal Funds; 35.95% General Funds
- Provides funds to administer the MI Choice Home and Community based services for the Elderly and Disabled Medicaid Waiver program

8.) Region IV Area Agency on Aging Inc., St. Joseph, MI

- \$2,590,562.00 Amendment
- \$17,378,277.00 New Total
- FY21 64.05% Federal Funds; 35.95% General Funds
- Provides funds to administer the MI Choice Home and Community based services for the Elderly and Disabled Medicaid Waiver program

9.) Region VII Area Agency on Aging Inc., Bay City, MI

- \$665,650.00 Amendment
- \$24,199,524.00 New Total
- FY21 64.05% Federal Funds; 35.95% General Funds
- Provides funds to administer the MI Choice Home and Community based services for the Elderly and Disabled Medicaid Waiver program

10.) Reliance Community Care Partners, Grand Rapids, MI

- \$1,503,053.00 Amendment
- \$19,927,848.00 New Total
- FY21 64.05% Federal Funds; 35.95% General Funds
- Provides funds to administer the MI Choice Home and Community based services for the Elderly and Disabled Medicaid Waiver program

11.) Senior Services Inc., Kalamazoo, MI

- \$1,394,669.00 Amendment
- \$9,847,321.00 New Total
- FY21 64.05% Federal Funds; 35.95% General Funds
- Provides funds to administer the MI Choice Home and Community based services for the Elderly and Disabled Medicaid Waiver program

8. DEPARTMENT OF HEALTH AND HUMAN SERVICES continued

12.) The Senior Alliance, Inc., Wayne, MI

- \$2,338,140.00 Amendment
- \$18,401,839.00 New Total
- FY21 64.05% Federal Funds; 35.95% General Funds
- Provides funds to administer the MI Choice Home and Community based services for the Elderly and Disabled Medicaid Waiver program

13.) Tri County Office on Aging, Lansing, MI

- \$972,089.00 Amendment
- \$23,609,030.00 New Total
- FY21 64.05% Federal Funds; 35.95% General Funds
- Provides funds to administer the MI Choice Home and Community based services for the Elderly and Disabled Medicaid Waiver program

14.) Wayne State University, Detroit, MI

- \$1,439,564.00 Amendment
- \$15,692,465.00 New Total
- FY21 51.24% Federal Funds; 12.42% Local; 10.25% Private Funds; 24.66% General Funds; 1.43% Restricted
- Provides funds to administer the MI Choice Home and Community based services for the Elderly and Disabled Medicaid Waiver program

SECTION 5 - DTMB SUBMITTED – NEW CONTRACTS

9. DEPARTMENT OF CORRECTIONS

1.) Grand Prairie Healthcare Services, P.C., Nashville, MI

- NOT TO EXCEED
- \$589,988,100.00 (5 Years)
- FY21-26 100% General Funds
- 200000002287 Prisoner health care and pharmacy services

2.) Recidiviz, Provo, UT

- NOT TO EXCEED
- \$1,000,000.00 (5 Years)
- FY21-24 100% General Funds
- 210000000686 Reporting tool to consolidate aggregate data

10. DEPARTMENT OF HEALTH AND HUMAN SERVICES

- 1.) Brogan & Partners Advertising, Ferndale, MI
 - \$39,765,000.00 (3 Years)
 - FY21-24 95% Federal Funds; 5% Other Funds (*See bid tab*)
 - 210000000424 Creative media advertising and clearinghouse services

11. DEPARTMENT OF NATURAL RESOURCES

- 1.) Various (*See bid tab*)
 - \$5,000,000.00 (5 Years)
 - FY21-26 100% General Funds
 - 210000000411 Prequalification for renewable energy power purchase agreements

12. DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET

- 1.) Various (*See bid tab*)
 - \$2,000,000.00 (5 Years)
 - FY21-26 100% Various Funds (*Varies by agency*)
 - 200000002445 Two-way radio and radio systems sales and service

SECTION 6 - DTMB SUBMITTED – CONTRACT CHANGES

13. DEPARTMENT OF HEALTH AND HUMAN SERVICES

- 1.) Brogan & Partners Consultancy, Inc., Birmingham, MI
 - \$30,000,000.00 Amendment
 - \$120,560,000.00 New Total
 - FY21 100% Federal Funds
 - 071B6600077 Add funds for creative, media advertising and clearinghouse services

14. DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET

- 1.) Mckinsey & Company, Washington, DC
 - \$3,120,000.00 Amendment
 - \$6,500,000.00 New Total
 - FY21 100% Federal Funds
 - 210000000554 Add funds and exercise a twelve-week option for unemployment insurance claims fraud detection and analytics

15. DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
continued

- 2.) Peckham Vocational Industries, Inc., Lansing, MI
 - \$4,732,96.00 Amendment
 - \$30,533,097.18 New Total
 - FY21 100% Various Funds (*Varies by agency*)
 - 071B7700138 Add funds and exercise and option year for statewide janitorial services
- 3.) Unisys Corporation, Rochester Hills, MI
 - \$8,709,130.00 Amendment
 - \$44,824,515.99 New Total
 - FY21-22 100% General Funds
 - 071B2200257 Add funds for the Unisys Mainframe platform for MDOS, Treasury, LARA & LEO to refresh both hardware and software for these environments

SECTION 7 - CLAIMS – PERSONAL PROPERTY LOSS

16. DEPARTMENT OF CORRECTIONS

Employee Claims

1. Taylor Droste \$404.95
The claimant (21-SAB-014) requests \$404.95 reimbursement for the replacement of eyeglasses that were damaged in an altercation with an inmate. The Committee recommends approval of \$404.95 for this claim.

17. DEPARTMENT OF CORRECTIONS

Prisoner Claims

1. Gregory Ashworth #729698 \$157.77
The claimant (21-SAB/DOC-9693) requests \$157.77 reimbursement for his television that was damaged while in possession of MDOC. The Committee recommends approval of \$25.52 for this claim.
2. Stephan Belvin #449885 \$153.65
The claimant (21-SAB/DOC-9882) requests \$153.65 reimbursement for his television that went missing while in possession of MDOC. The Committee recommends approval of \$16.11 for this claim.

17. DEPARTMENT OF CORRECTIONS continued

3. Ronald Brown #150582 \$237.43
The claimant (21-SAB/DOC-10000) requests \$237.43 reimbursement for his missing JP5 tablet, JP5 keyboard, sunglasses, shoes, trimmers, radio, earbuds, and food & hygiene items. The Committee recommends approval of \$119.64 for this claim.
4. Dominique Carey #800639 \$117.73
The claimant (21-SAB/DOC-9940) requests \$117.73 reimbursement for his missing books and food items. The items listed are in the property room and will be returned to the prisoner upon his release from segregation. The Committee recommends DENIAL for this claim.
5. Dariyone Clark-Brown #845938 \$42.50
The claimant (21-SAB/DOC-9981) requests \$42.50 reimbursement for his missing JP5 player. The prisoner signed the unpack receipt. No items were noted as missing or damaged. The Committee recommends DENIAL for this claim.
6. Jaylon Conklin #599695 \$140.87
The claimant (21-SAB/DOC-9795) requests \$140.87 reimbursement for his missing television. A television was not present at the time of pack up. The Committee recommends DENIAL for this claim.
7. Timothy Conley #256160 \$157.94
The claimant (21-SAB/DOC-9982) requests \$157.94 reimbursement for his television that was damaged while in possession of MDOC. The Committee recommends approval of \$23.84 for this claim.
8. Kirk Countryman #583192 \$247.60
The claimant (21-SAB/DOC-9977) requests \$247.60 reimbursement for his alleged stolen trimmers, adapter, jacket, boxers, watch, dictionary, headphones, and padlock. Documentation does not support the allegations. The Committee recommends DENIAL for this claim.
9. Ahmad Davis #578257 \$23.00
The claimant (21-SAB/DOC-10109) requests \$23.00 reimbursement for his lost or stolen JP5 charger and box, State eyeglasses, State coat, and extension cord. Documentation does not support the allegations. The Committee recommends DENIAL for this claim.
10. Kori Dewitt #631557 \$86.57
The claimant (21-SAB/DOC-9913) requests \$86.57 reimbursement for his food items, padlock, and beard trimmers that were stolen when left unattended. The Committee recommends DENIAL for this claim.

17. DEPARTMENT OF CORRECTIONS continued

11. Kori Dewitt #631557 \$139.92
The claimant (21-SAB/DOC-9956) requests \$139.92 reimbursement for his damaged television. The Committee recommends approval of \$111.94 for this claim.
12. Rick Doyle #300109 \$38.26
The claimant (21-SAB/DOC-9666) requests \$38.26 reimbursement for his missing soap, soap dish, toothpaste, legal paperwork, shower shoes, books, and Bibles. These items arrived as catch-up property and were delivered to the prisoner. The Committee recommends DENIAL for this claim.
13. Rodney Dumas #138878 \$171.21
The claimant (21-SAB/DOC-10010) requests \$171.21 reimbursement for his watch, jacket, shoes, sweatpants, bath & face towel, undershirts, and store order that were stolen while in possession of MDOC. The Committee recommends approval of \$35.50 for this claim.
14. Kevin Ezell #695718 \$138.84
The claimant (21-SAB/DOC-9999) requests \$138.84 reimbursement for his missing television. Documentation does not support the allegations. The Committee recommends DENIAL for this claim.
15. Kenneth Fizer #153846 \$41.73
The claimant (21-SAB/DOC-10055) requests \$41.73 reimbursement for his beard trimmers and watch that became missing while in possession of MDOC. The Committee recommends approval of \$35.99 for this claim.
16. Michael Fletcher #439985 \$42.39
The claimant (21-SAB/DOC-10231) requests \$42.39 reimbursement for his JPay Player that was lost while in possession of MDOC. The Committee recommends approval of \$33.91 for this claim.
17. Randy Gardner #833874 \$304.88
The claimant (21-SAB/DOC-10027) requests \$304.88 reimbursement for his missing boots, SecurePak, store order, and Christmas bag. The prisoner signed the unpack receipt. No items were noted as missing or damaged. The Committee recommends DENIAL for this claim.
18. Tyler Guilmette #357732 \$219.65
The claimant (21-SAB/DOC-9629) requests \$219.65 reimbursement for his missing television, books, magazine, earbuds, headphones, and thermal top. Documentation supports reimbursement for headphones and thermal top only. The Committee recommends approval of \$32.10 for this claim.

17. DEPARTMENT OF CORRECTIONS continued

19. Camel Hampton #239008 \$139.92
The claimant (21-SAB/DOC-9931) requests \$139.92 reimbursement for his television that was stolen from his cell. The Committee recommends DENIAL for this claim.
20. Damon Houston #101036 \$34.98
The claimant (21-SAB/DOC-9996) requests \$34.98 reimbursement for his missing watch. A watch was not present at the time of pack up. The Committee recommends DENIAL for this claim.
21. David Hreha #156283 \$218.36
The claimant (21-SAB/DOC-9939) requests \$218.36 reimbursement for his typewriter that was damaged while in possession of MDOC. The Committee recommends approval of \$94.76 for this claim.
22. Maurice Johnson #538493 \$40.00
The claimant (21-SAB/DOC-9924) requests \$40.00 reimbursement for his eyeglasses that were damaged during an altercation with another prisoner. The Committee recommends DENIAL for this claim.
23. Anthony Jones #269229 \$91.15
The claimant (21-SAB/DOC-10005) requests \$91.15 reimbursement for his missing shoes and boots. The Committee recommends approval of \$36.69 for this claim.
24. Justin Kolkman-Cardosa #149216 \$87.05
The claimant (21-SAB/DOC-9763) requests \$87.05 reimbursement for his food items that were stolen from his cell by other prisoners. The Committee recommends DENIAL for this claim.
25. Justin Kolkman-Cardosa #149216 \$42.39
The claimant (21-SAB/DOC-9916) requests \$42.39 reimbursement for his JP5 player that was stolen from his cell by another prisoner. The Committee recommends DENIAL for this claim.
26. Howard McClatcher #259909 \$155.77
The claimant (21-SAB/DOC-9992) requests \$155.77 reimbursement for his television that was damaged while in possession of MDOC. The Committee recommends approval of \$68.80 for this claim.
27. Jeffery McSwain Jr. #538625 \$166.00
The claimant (21-SAB/DOC-9888) requests \$166.00 reimbursement for his stolen JP5 player & cord, shorts, and food & personal hygiene items. The Committee recommends DENIAL for this claim.

17. DEPARTMENT OF CORRECTIONS continued

28. Eric Miller #202294 \$209.83
The claimant (21-SAB/DOC-10008) requests \$209.83 reimbursement for his television that was damaged while in possession of MDOC. The Committee recommends approval of \$209.83 for this claim.
29. Ryan Osborne #649938 \$180.50
The claimant (21-SAB/DOC-9966) requests \$180.50 reimbursement for his earbuds, towel, t-shirts, boxers, sweatpants & shirts, jacket, and cap. The Committee recommends approval of \$164.74 for this claim.
30. Frederick Perkins #397129 \$146.59
The claimant (21-SAB/DOC-9364) requests \$146.59 reimbursement for his missing shoes, beard trimmers, watch, adapter, socks, padlock, shirts, earbuds, and earbud extension. These items were not present at the time of pack up. The Committee recommends DENIAL for this claim.
31. Dreque Rich #966809 \$286.81
The claimant (21-SAB/DOC-9685) requests \$286.81 reimbursement for his missing MP3, boots, headphones, sweatshirt, and sweatpants. The prisoner signed the unpack receipt. These items were not noted as missing or damaged. The Committee recommends DENIAL for this claim.
32. Stanton Slanec #465335 \$101.43
The claimant (21-SAB/DOC-9801) requests \$101.43 reimbursement for his beard trimmers, padlock, JP5 player, mugs, extension cord, sewing kit, bowl, and adapter that became missing while in possession of MDOC. The Committee recommends approval of \$9.85 for this claim.
33. Dijon Smith #854007 \$0.00
The claimant (21-SAB/DOC-10039) requests \$0.00 reimbursement for his JP5 player that was damaged while in possession of MDOC. The Committee recommends approval of \$4.22 for this claim.
34. Randy Smith #175268 \$158.73
The claimant (21-SAB/DOC-10004) requests \$158.73 reimbursement for his television that was lost while in possession of MDOC. The Committee recommends approval of \$23.96 for this claim.
35. Justin Stephens #807416 \$75.02
The claimant (21-SAB/DOC-9985) requests \$75.02 reimbursement for his missing fan, headphones, and trimmers. These items were not present at the time of pack up. The Committee recommends DENIAL for this claim.

17. DEPARTMENT OF CORRECTIONS continued

36. Justin Stephens #807416 \$139.92
The claimant (21-SAB/DOC-9986) requests \$139.92 reimbursement for his missing television. The Committee recommends approval of \$87.92 for this claim.
37. Steven Trapp #770672 \$289.49
The claimant (21-SAB/DOC-9552) requests \$289.49 reimbursement for his books that were damaged by water. The prisoner's books were not stored properly per MDOC policy. The Committee recommends DENIAL for this claim.
38. Justin Trowbridge #775488 \$163.08
The claimant (21-SAB/DOC-8872) requests \$163.08 reimbursement for his jacket, boots, and watch that became missing while in possession of MDOC. The Committee recommends approval of \$96.03 for this claim.
39. Eric Weiler #672160 \$62.13
The claimant (21-SAB/DOC-9832) requests \$62.13 reimbursement for his missing food & personal hygiene items, mug, and ear plugs. These items were not present at the time of pack up. The Committee recommends DENIAL for this claim.
40. Anthony Williams #281542 \$709.30
The claimant (21-SAB/DOC-9769) requests \$709.30 reimbursement for his missing shoes, headphones, eyeglasses, earbuds, charger, trimmers, shower bag, shower shoes, folder, headphones extension, phonebook, extension cord, and tank top. The Committee recommends approval of \$36.36 for this claim.
41. Chester Williams #134688 \$91.38
The claimant (21-SAB/DOC-9831) requests \$91.38 reimbursement for his jackets, sweatpants, dictionary, and fan that became missing while in possession of MDOC. The Committee recommends approval of \$63.90 for this claim.

SECTION 8 - CLAIMS – PERSONAL INJURY LOSS

SECTION 9 - SPECIAL ITEMS

15. DEPARTMENT OF HEALTH AND HUMAN SERVICES

- 1) Reporting emergency PCard Purchases in accordance with Administrative Guide Procedure 0620.01 and section, "5.7 Competitive Solicitations Exceptions" of the Michigan Procurement Policy Manual – January 2021
- 2) Reporting emergency PCard Purchases in accordance with Administrative Guide Procedure 0620.01 and section, "5.7 Competitive Solicitations Exceptions" of the Michigan Procurement Policy Manual – February 2021

The Director of the Department of Technology, Management and Budget recommends approval by the State Administrative Board of the items contained in Sections 1, 2, 3, 4, 5 and 6 of this agenda. Approval by the State Administrative Board of these award recommendations does not require or constitute the award of same. Award of contracts shall be made at the discretion of the DTMB Director or designee.

Ms. Bliesener presented the Finance and Claims Committee Report for the regular meeting of April 13, 2021. After review of the foregoing Finance and Claims Committee Report, Ms. Bliesener moved that the Report covering the regular meeting of April 13, 2021, be approved and adopted. The motion was supported by Ms. El-Amin and unanimously approved.

APPROVED

April 13, 2021

Michigan State
Administrative Board

COMMITTEE REPORT TO THE STATE ADMINISTRATIVE BOARD

The Honorable Gretchen Whitmer, Governor
and
Members of the State Administrative Board

A regular meeting of the **Transportation and Natural Resources** Committee was held at **11:00 a.m.** on **April 13, 2021**. Those present being:

Chairperson: Cindy Paradine, representing Approved _____
Secretary of State Benson

Member: Danielle El-Amin representing Approved _____
Lt. Governor Gilchrist

Member: Jim Shell, representing Approved _____
Attorney General Nessel

Others: Dan Sonneveldt, Attorney General's Office; Jessica Weare, Governor's Office; Ross Fort, Department of Education; Jared Ambrosier, Shelby Troub, Department of Technology, Management and Budget; Stacey Bliesener, Department of Treasury; Laura Mester, Department of Transportation; Peter Ruddell, Honigman LLP; Manny Lentine

Ms. Paradine, remotely called in from Eaton County, Michigan

Ms. El-Amin, remotely called in from Wayne County, Michigan

Mr. Shell, remotely called in from Eaton County, Michigan

Ms. Paradine called the meeting to order.

The Department of Transportation Agenda was presented.

Following discussion, Mr. Shell moved that the Transportation Agenda be recommended to the State Administrative Board with item 5 withdrawn from the agenda. The motion was supported by Ms. El-Amin and unanimously adopted.

Ms. Paradine adjourned the meeting.

4.13.21 **FINAL**

AGENDA

DEPARTMENT OF TRANSPORTATION
TRANSPORTATION and NATURAL RESOURCES COMMITTEE
STATE ADMINISTRATIVE BOARD

T&NR Meeting: April 13, 2021
Virtual 11:00 AM

State Administrative Board Meeting: April 13, 2021
Virtual 11:00 AM

.....

This agenda is for general informational purposes only. At its discretion, the Transportation and Natural Resources Committee may revise this agenda and may take up other issues at the meeting.

CONTRACT PRE- APPROVALS

1. **HIGHWAYS – Design Services**

Contract (2021-0503): MDOT will enter into a contract with a consultant that will provide for design services to be performed for the reconstruction of I-75 from Otter Creek to LaPlaisance Road in Monroe County (CS 58151 – JNs208085PE, 211425PE-S, and 211606PE-S). The work items will include performing design surveys; preparing required plans, typical cross-sections, and specifications; computing and verifying all plan quantities; and preparing staging plans and special provisions for maintaining traffic during construction. The contract will be in effect from the date of award through July 15, 2024. The contract amount will not exceed 110 percent of the engineer's estimate of \$3,100,000. Source of Funds: 100% State Restricted Trunkline Funds.

2. **HIGHWAYS – Program Manager Consultant Services**

Contract (2021-0454) between MDOT and HNTB Michigan, Inc., will provide for program manager consultant (PMC) services to be performed for MDOT's Ancillary Structures Program, Task Order 2, at various locations throughout the state. The PMC will develop and maintain the ancillary structures database framework and advance an asset management program. The work items will include statewide coordination with MDOT and external stakeholders to support program development; collecting field data needed to confirm conditions, ratings, and general inventory; collecting structures data needed to prepare plans for field inspection, documentation, and reporting; conducting field inventories and condition inspections of MDOT-owned ancillary structures; and providing preliminary engineering services when needed. The contract will be in effect from the date of award through April 30, 2022. The contract amount will not exceed 110 percent of the engineer's estimate of \$8,021,530. Source of Funds: 100% State Restricted Trunkline Funds.

6.	Allied Building Services Company of Detroit, Inc. Detroit, Michigan	\$908,340.00	Total FY 21 100% State Trunkline Maintenance
----	--	--------------	--

This is a contract to improve accessibility at Rest Areas throughout the State to comply with the Americans with Disabilities Act (ADA) and Standards for Accessible Design. The scope of work includes interior improvements, including but not limited to installation of ADA ramps, installation of new counters to appropriate heights, adjustments or installation of new plumbing fixtures, etc. This contract is for interior improvements to MDOT rest areas in the Northern Lower Peninsula.

Page 2 of 5

7. Anlaan Corporation \$1,077,440.25 Total
Grand Haven, Michigan FY 21
100% State Trunkline Maintenance

This is a contract to improve accessibility at Rest Areas throughout the State to comply with the Americans with Disabilities Act (ADA) and Standards for Accessible Design. The scope of work includes exterior improvements, including but not limited to replacement of landscape curb, concrete patching, sidewalk ramp upgrades, and soil erosion. This contract is for exterior improvements to MDOT rest areas in the Northern Lower Peninsula.

8. Lakefield Lawn Maintenance \$267,149.91 Total
McMillian, Michigan 49853 FY 2021-2024
100% State Trunkline Maintenance

This contract is for janitorial and grounds maintenance for Schoolcraft Co. (Green School, Manistique and Thompson) Roadside Parks. This contract includes two, 1-year renewal options.

9. Hi-Tec Building Services, Inc. \$267,720.00 Total
Jenison, Michigan 49428 FY 2021-2024
100% State Truckline Maintenance

This contract is for janitorial and grounds maintenance for the University region (Frontier, Jonesville, Red Cedar and Reed Rd.) Roadside Parks. This contract includes two, 1-year renewal options.

10. Scodeller Construction, Inc. \$524,424.50 Total
Wixom, Michigan FY 21
See table below for funding

This is a contract for the 2021 Airport Crack Seal Program. Contractor is to provide all personnel, equipment and materials to perform HMA Crack Treatment and Asphalt Repair Mastic at various airports statewide.

2021 STATEWIDE AIRPORT CRACK SEALING

This project consists of crack sealing at airports throughout the State of Michigan.

Airport/ Identifier/Associated City	Funding Source
Beaver Island Airport (SJX) Beaver Island, MI	90% federal, 5% state, 5% local (airport sponsor, i.e. city or county).
Wexford County Airport (CAD) Cadillac, MI	90% federal, 5% state, 5% local (airport sponsor, i.e. city or county).
Cheboygan County Airport (SLH) Cheboygan, MI	90% federal, 5% state, 5% local (airport sponsor, i.e. city or county).
Coleman A. Young Municipal Airport (DET) Detroit, MI	90% federal, 5% state, 5% local (airport sponsor, i.e. city or county).

Drummond Island Airport (DRM) Drummond Island, MI	90% state, 10% local (airport sponsor, i.e. city or county).
Frankfort Dow Memorial Field (FKS) Frankfort, MI	90% federal, 5% state, 5% local (airport sponsor, i.e. city or county).
Gaylord Regional Airport (GLR) Gaylord, MI	90% federal, 5% state, 5% local (airport sponsor, i.e. city or county).
Gladwin Zettel Memorial Airport (GDW) Gladwin, MI	90% federal, 5% state, 5% local (airport sponsor, i.e. city or county).
Oceana County Airport (C04) Hart/Shelby, MI	90% federal, 5% state, 5% local (airport sponsor, i.e. city or county).
Lakeview – Griffith Field (13C) Lakeview, MI	90% federal, 5% state, 5% local (airport sponsor, i.e. city or county).
Mason County Airport (LDM) Ludington, MI	90% federal, 5% state, 5% local (airport sponsor, i.e. city or county).
Mackinac Island Airport (MCD) Mackinac Island, MI	90% federal, 5% state, 5% local (airport sponsor, i.e. city or county).
Schoolcraft County Airport (ISQ) Manistique, MI	90% federal, 5% state, 5% local (airport sponsor, i.e. city or county).
Jack Barstow Airport (IKW) Midland, MI	90% federal, 5% state, 5% local (airport sponsor, i.e. city or county).
Custer Airport (TTF) Monroe, MI	90% federal, 5% state, 5% local (airport sponsor, i.e. city or county).
Mt. Pleasant Municipal Airport (MOP) Mt. Pleasant, MI	90% federal, 5% state, 5% local (airport sponsor, i.e. city or county).
Muskegon County Airport (MKG) Muskegon, MI	90% federal, 5% state, 5% local (airport sponsor, i.e. city or county).
Ontonagon County Airport – Schuster (OGM) Ontonagon, MI	90% federal, 5% state, 5% local (airport sponsor, i.e. city or county).
Oscoda – Wurtsmith Airport (OSC) Oscoda, MI	90% federal, 5% state, 5% local (airport sponsor, i.e. city or county).
Oakland County International Airport (PTK) Waterford Township, MI	90% federal, 5% state, 5% local (airport sponsor, i.e. city or county).
Saginaw County H. W. Browne Airport (HYX) Saginaw, MI	90% federal, 5% state, 5% local (airport sponsor, i.e. city or county).
Paul C Miller Airport (8D4) Sparta, MI	90% federal, 5% state, 5% local (airport sponsor, i.e. city or county).
Stambaugh Airport (Y73) Iron River, MI	50% State, 50% local (airport sponsor, i.e. city or county).
Three Rivers Dr. Haines Airport (HAI) Three Rivers, MI	90% federal, 5% state, 5% local (airport sponsor, i.e. city or county).

* Denotes a non-standard contract/amendment

The approval by the State Administrative Board of these contracts does not constitute the award of same. The award of contracts shall be made at the discretion of the Director-Department of Transportation when the aforementioned requirements have been met. Subject to exercise of that discretion, I approve the contracts described in this agenda and authorize their award by the responsible management staff of MDOT to the extent authorized by, and in accordance with, the December 14, 1983, resolution of the State Transportation Commission and the Director's delegation memorandum of February 11, 2019.

Respectfully submitted,

Paul C. Ajegba P.E.
Director

Ms. Paradine presented the Transportation and Natural Resources Committee Report for the regular meeting of April 13, 2021. After review of the Transportation and Natural Resources Committee Reports, Ms. El-Amin moved that the report covering the regular meeting of April 13, 2021, be approved and adopted. The motion was supported and unanimously approved.

8. MOTIONS AND RESOLUTIONS:

None

9. ADJOURNMENT:

Ms. Weare adjourned the meeting.

SECRETARY

CHAIRPERSON



Peter B. Ruddell
Office: 517.377.0711
pruddell@honigman.com

Via E-Mail
StateAdBoard@michigan.gov

April 12, 2021

State Administrative Board
State of Michigan
Constitution Hall
P.O. Box 30026, Lansing, MI 48909

Re: 200000002287 Prisoner Health Care and Pharmacy Services

Dear Members of the State Administrative Board:

This letter will summarize the protest submitted on March 8, 2021, regarding the above-referenced RFP and item on the Finance and Claims Committee agenda for April 13, 2021. Additionally, this letter will respond to inaccurate statements made in the Department of Technology, Management, and Budget (“DTMB”)’s April 1, 2021 response to the protest.

First, the award of this contract to Grand Prairie Healthcare Services, P.C. (“GPHS”) will dramatically reduce the staffing for prisoner health care. As compared to the next lowest bidder, GPHS offered the State 16% fewer physicians, 14% fewer mid-level practitioners, and 29% fewer psychiatrists. Such a dramatic reduction in health care staff is likely to adversely impact prisoner health care and open the State up to increased legal claims.

Second, as indicated in the March 8, 2021 protest, GPHS cannot legally provide the extensive non-medical services required by the contract. As such, GPHS should have been deemed a “non-responsive bidder” under both the terms and conditions of the Request for Proposal (“RFP”) and the Michigan Procurement Policy Manual. In DTMB’s April 1, 2021 response letter, Mr. Ambrosier stated that “Corizon cites no direct Michigan law in support of its position that GPHS is legally incapable of entering into this Contract.” However, our March 8, 2021 letter *did* cite direct Michigan law—the Business Corporation Act, specifically MCL 450.1287(1), 450.1261(q) and 450.2021, which prohibit professional corporations from providing services outside the scope of their corporate purposes.

To further clarify that a professional corporation incorporated to provide medical services, such as GPHS, may not provide extensive non-medical services, we have requested a declaratory ruling from Corporations, Securities and Commercial Licensing Bureau of the Michigan Department of Licensing and Regulatory Affairs (attached). That request remains pending.

HONIGMAN[®]

Michigan State Administrative Board
April 12, 2021
Page 2

Third, in its April 1, 2021 letter, DTMB established a new procurement policy and created a new type of bidder—a “nominal bidder.” This board would be wise to reject and repudiate such a new policy. If the policy of the State is to allow for a “nominal bidder” to enter into a contract with the State, rather than the real party in interest, this will likely become the new norm for all major procurements.

This RFP provides a perfect example why this new “nominal bidder” policy provides a dangerous path for the State. As an example, if a subcontractor of GPHS determines it is no longer financially advantageous to continue as a subcontractor for this RFP, all that subcontractor needs to do is terminate its agreement with GPHS. The State has no direct contractual relationship with the subcontractor. If, in this example, GPHS is merely a “shell company” with no assets and no ability to perform the contract without the subcontractor, the loss of the subcontractor will leave the State without the ability to receive the services for which it contracted.

Very truly yours,

HONIGMAN LLP



Peter B. Ruddell

Attachments

c: Jared Ambrosier
Shelby Troub

INDEX OF EXHIBITS

Exhibit	Description
A	March 8 Protest Letter
B	April 1 DTMB Response
C	April 2 Supplemental
D	April 9 Request for Declaratory Ruling

Exhibit A:

March 8 Protest Letter



Peter B. Ruddell
Office: 517.377.0711
pruddell@honigman.com

Via E-Mail
samuelb@michigan.gov
BidProtest-DTMB@michigan.gov

March 8, 2021

Mr. Brandon Samuel, Solicitation Manager
State of Michigan Procurement
DTMB
P.O. Box 30026
Lansing, MI 48913

Re: Protest of RFP 200000002287

Dear Mr. Samuel:

On behalf of our client, Corizon Health, Inc. ("Corizon Health"), we hereby formally protest the Recommendation of Award issued on February 26, 2021, expressing the Department of Technology, Management & Enterprise Procurement Division's ("DTMB") intent to award the contract for Prisoner Health Care and Pharmacy Services described in Request for Proposal #200000002287 ("RFP") to Grand Prairie Healthcare Services, P.C. ("GPHS").

The award of this contract to GPHS is contrary to the primary purpose of the State of Michigan's bidding process. Simply, the Recommendation of Award fails to ensure that the State will receive the "best value" for the full and adequate performance of the services required by the contract. Accordingly, Corizon Health respectfully requests that DTMB reevaluate and reconsider its decision, and take all other necessary steps to ensure that the State of Michigan receives the best value for the RFP.

TIMELINESS

This Bid Protest is timely because it was submitted in advance of the protest deadline of March 8, 2021 at 3:00 p.m.

Mr. Brandon Samuel
March 8, 2021
Page 2

RIGHT TO SUPPLEMENT

On March 5, 2021, DTMB partially responded to Corizon Health's request for documents under the Freedom of Information Act ("FOIA"). Corizon Health believes that the documents DTMB produced clearly demonstrate that there has been an error in the procurement process. There may be additional documents, however, that further support Corizon Health's position and are not yet in its possession. As such, on behalf of Corizon Health, we hereby reserve the right to supplement this Bid Protest after reviewing any additional materials produced in response to our FOIA request.

BACKGROUND

On August 26, 2020, DTMB issued a RFP for a contract to provide prisoner health care and pharmacy services to the Michigan Department of Corrections ("MDOC"). Corizon Health has held that contract, through a series of corporate changes, since 1997.

The RFP stated that the contract would be awarded to "the responsive and responsible bidder who offers the best value to the State." RFP, Proposal Instructions, ¶ 11. A "responsive" bidder is one that submits a bid "in accordance with the solicitation instructions and meets all mandatory minimum requirements identified in the solicitation." See Michigan Procurement Policy Manual (Revised 4/23/2020) ("Procurement Manual") at § 8.4.2. To be "responsive," a proposal must accord "with the Proposal instructions and Vendor Questions Worksheet, and . . . Evaluation Process." Recommendation of Award, ¶ 1.

A "responsible" bidder is "a vendor that demonstrates it has the ability to successfully perform the duties identified by the solicitation." Procurement Manual at § 8.4.3. To decide whether a vendor is "responsible," DTMB examines the bidder's qualifications, including its past performance, its financial stability, its ability to comply with all legal requirements identified in the solicitation, and its answers to the Vendor Questions Worksheet. *Id.* "Any vendor that is not responsible . . . **may not** move to [the next step of the procurement process]." *Id.* (emphasis added).

To decide which proposal provides the "best value" to the State, DTMB considers a combination of the evaluation factors and price. RFP, Proposal Instructions, ¶¶ 7, 11. DTMB must also consider factors like the proposal's overall Michigan economic impact, the vendor's employment practices, and the vendor's environmental track record. Procurement Manual at § 8.4.8.

Responses to the RFP were due by October 19, 2020. DTMB received proposals to provide both prisoner health care and pharmacy services from Centurion of Michigan, LLC ("Centurion"); Corizon Health; GPHS; InGenesis, Inc ("InGenesis"); and Wexford

Mr. Brandon Samuel
 March 8, 2021
 Page 3

Health Sources, Inc. (“Wexford”) See Recommendation of Award, ¶ 3(A)–(F). DTMB awarded the following technical evaluation scores to those bidders:

Centurion	Corizon	GPHS	InGenesis	Wexford
279	264	289	233	297

Based on those scores, DTMB determined that Centurion, Corizon Health, GPHS, and Wexford had passed the technical evaluation. It then provided the following price summary for those bidders:

Total Five Year Contract Pricing

Calculation	Centurion	Corizon	GPHS	Wexford
Non-Risk Share Base Total Costs	\$326,719,000	\$281,748,000	\$262,860,000	\$395,877,000
Risk Share Base Total Costs	\$392,192,000	\$359,065,000	\$327,128,000	\$340,490,000
Total Costs	\$718,910,000	\$640,813,000	\$589,988,000	\$736,367,000

On February 26, 2021, DTMB determined that GPHS provided the best value to the State and recommended that the contract be awarded to GPHS to provide the prisoner health care and pharmacy services for \$589,988,000.00.

CORIZON HEALTH’S BACKGROUND AND QUALIFICATIONS

Corizon Health is the pioneer and foremost provider of correctional health care in the United States. Built on more than 40 years of innovation and expertise in the industry, Corizon Health provides health care and pharmacy services to over 101,000 inmates in 14 states, including 128 state prisons, municipal jails, and other facilities. Corizon Health has an unparalleled record of providing quality correctional health care and pharmacy services in Michigan, and has held the contract described in the RFP since 1997.

Despite the improper deductions described below, Corizon Health was among the bidders who passed the technical evaluation. Its high scores in the RFP evaluation process, and its record of performance under the contract, demonstrate the strength and capabilities Corizon Health offers to the State of Michigan.

SUMMARY OF PROTEST GROUNDS

The Recommendation of Award is contrary to Michigan law because GPHS lacks the ability to fully perform the contract duties, as required by the Procurement Manual and the RFP. In an attempt to cure this deficiency, GPHS repeatedly relied on the

Mr. Brandon Samuel
 March 8, 2021
 Page 4

qualifications of a separate company, Wellpath, throughout its proposal. But *Wellpath did not bid for the contract*. And under GPHS's proposal, *Wellpath would be nothing more than a subcontractor*. There is no joint venture between GPHS and Wellpath. They are separate corporate entities and, as a subcontractor, Wellpath would not be in any direct contractual relationship with the State if the State awarded the contract to GPHS.

GPHS is not a responsible bidder—and cannot hold the contract in its own right—because it lacks the legal ability to perform *any* of the extensive non-clinical duties required by the contract. Moreover, GPHS is not a responsive bidder either because, rather than answering the RFP's questions about its own company, GPHS repeatedly provided information about Wellpath and attempted to pass Wellpath's background, experience, and resources off as its own. Because GPHS lacks the ability to perform the contract and failed to comply with the RFP's instructions, it should have been disqualified as a non-responsive and non-responsible bidder.

Corizon Health suffered from the failure to disqualify GPHS as a non-responsible and non-responsive bidder, and from numerous prejudicial and improper deductions from the scoring of its own proposal. Accordingly, as set forth in detail below, we respectfully submit that the Recommendation of Award should be withdrawn, GPHS's proposal should be disqualified, and DTMB should recommend the award to Corizon Health as the remaining qualified bidder that provides the “best value” to the State.

I. GPHS Is Not Legally Capable of Performing the Contract.

GPHS is not a “responsible bidder” because it cannot legally provide the non-clinical services required by the contract. Specifically, GPHS lacks the capacity to perform those services due to limitations on its corporate purposes in its Articles of Incorporation under Indiana law, as well as under its Application for Certificate of Authority filed with the Michigan Department of Licensing and Regulatory Affairs (“LARA”) and attached as **Exhibit A** (“Certificate of Authority”).

GPHS is an Indiana professional corporation formed to provide medical services. Under Indiana law, a professional corporation may be formed to render professional services, including those that may legally be performed only by a licensed health care professional.¹ Indiana law additionally provides that, while corporations generally may incorporate to engage in any lawful business, corporations engaging in businesses subject to regulation—such as medicine—must incorporate under applicable laws addressing

¹ IC 23-1.5-2-3(a)(4).

Mr. Brandon Samuel
March 8, 2021
Page 5

incorporation of that business.² And corporations subject to the professional corporation requirements may only operate in accordance with their limited professional purposes.

In its Articles of Incorporation, attached as **Exhibit B**, GPHS provided a Certificate of Registration from the Indiana Professional Licensing Agency certifying that the Indiana Medical Licensing Board found that GPHS's officers and directors are appropriately licensed by the medical board to organize a corporation that provides medical services. Therefore, GPHS's permissible purposes under Indiana law are only to provide professional services that may be legally performed by an individual licensed by the Medical Licensing Board.

In order to transact business in Michigan, GPHS registered as a foreign corporation, indicating in its Certificate of Authority that the specific and only business to be conducted in Michigan is the provision of "medical services." This is consistent with Michigan law, which limits the business activities of professional corporations. Specifically, Michigan law provides that "[a] professional corporation shall not engage in any business other than providing the professional service or services for which it was specifically incorporated."³ Further, Michigan law only permits corporations to "[h]ave and exercise all powers necessary or convenient to effect any purpose for which the corporation is formed."⁴

If GPHS wishes to enlarge or otherwise change its permissible business activities in the State of Michigan to engage in services other than providing medical services, it must file an amendment to its Certificate of Authority or otherwise risk becoming unauthorized to transact business in Michigan.⁵ But it can only do so if those activities are necessary to effect the purposes for which it is formed. LARA cannot permit a foreign professional corporation, such as GPHS, to provide services that are beyond those permitted by the entity's state of formation, which in the case of GPHS is Indiana. Since GPHS cannot provide non-medical services in Indiana, it cannot do so in Michigan. Additionally, LARA is unlikely to permit GPHS to provide non-medical services in Michigan because of Michigan's prohibition of professional corporations providing non-professional services.

² IC 23-1-22-1(b).

³ MCL 450.1287(1).

⁴ MCL 450.1261(q).

⁵ MCL 450.2021.

Mr. Brandon Samuel
 March 8, 2021
 Page 6

The contract requires the performance of many services that do not constitute medical services. These non-medical services include, but are not limited to, the following:

1. **Utilization review of outside medical care:** These services do not require a medical license and are typically provided by insurance companies, hospitals, and other utilization review organizations. Utilization review does not involve providing clinical medical care but rather assessing the necessity and cost of the care and approving it for payment.
2. **Claim processing:** The claims processing services required in the contract involve processing bills for medical care provided by outside providers. This does not require a medical license. Under Michigan law, this is beyond the scope of activities for Michigan medical professional corporations.
3. **Pharmacy staffing:** Under the contract, GPHS is required to act as a pharmacy staffing agency. Holding a medical license is not necessary to employ pharmacists or pharmacy technicians and is not considered the practice of medicine.
4. **Dental staffing:** Under the contract, GPHS must consult and/or collaborate with dental staff and provide dental staffing as needed. Consulting with, collaborating with, and providing dental staffing is not the practice of medicine.
5. **Managing day-to-day non-clinical operations covered by the Contract:** The contract requires GPHS to manage MDOC's day-to-day non-clinical operations related to its health care services. Managing the operations of other, non-medical, organizations does not constitute providing medical services and is distinct from managing an entity's own medical services. Many non-professional entities in Michigan permissibly manage health care operations.
6. **Establishing an off-site network of specialty services:** The contract requires GPHS to provide an off-site network of specialty services, claims payment, utilization management services, general health and psychiatric performance measurement, polypharmacy prevention and management, quality improvement activities, and supports to re-entry and discharge planning. Establishing such an expansive off-site network involves a large range of activities beyond the scope of providing medical services, including administrative and claims processing services.

Mr. Brandon Samuel
 March 8, 2021
 Page 7

7. **Providing training to correctional officers:** The Recommendation of Award highlights that GPHS “will provide beneficial training to Correctional Officers.” As an example, it cites GPHS’s “Crisis Intervention Team training,” which “provides officers with specialized skills and knowledge that will enable them to . . . prevent escalation of crisis situations and reduce physical harm and emotional distress/trauma to patients and officers.” Providing crisis intervention and de-escalation training to correctional officers is not the practice of medicine.

In sum, GPHS is not authorized to perform the majority of services required by the contract under GPHS’s organizing documents under either Michigan or Indiana law. Because GPHS lacks the legal ability to perform the duties identified in the RFP, it is not a “responsible” bidder and should be disqualified from receiving the award. See Procurement Manual at § 8.4.8 (“A responsible vendor is a vendor that demonstrates *it has the ability* to successfully perform the duties identified by the solicitation.”).

II. GPHS’s Proposal Improperly Relies on Its Subcontractor’s Qualifications.

Apparently recognizing that it is prohibited from providing non-medical services, GPHS has engaged Wellpath “to *serve as a subcontractor* on non-clinical matters.” See GPHS Proposal at x (emphasis added). Throughout its proposal, GPHS attempted to blur the lines between itself and Wellpath, representing that “[w]e are the nation’s largest provider of correctional health care,” “[w]e have provided comprehensive health services in DOC settings since 2003,” and “[w]e have provided comprehensive health care services for county correctional agencies throughout Michigan for more than 25 years.” *Id.* at i, iii, iv (emphasis added).

Let there be no mistake: GPHS is *not* the nation’s largest provider of correctional health care. And GPHS has *not* provided comprehensive health services in DOC settings since 2003 or provided services for county correctional agencies throughout Michigan for more than 25 years. In fact, GPHS *did not even exist* until November 18, 2014. See **Exhibit B**. And Michigan-based prisoner-advocacy groups had never even heard of GPHS before the Recommendation of Award. See Gongwer, *New MDOC Health Care Provider Would Save \$100M, Prompts Alarm* (Mar 2, 2021), attached as **Exhibit C**.

By repeatedly providing information about *its subcontractor* when the RFP requested information about *the bidder*, GPHS failed to submit a responsive proposal. See Recommendation of Award, ¶ 1 (to be “responsive,” a proposal must comply with “the Proposal instructions and Vendor Questions Worksheet, and . . . Evaluation Process.”). Examples of GPHS’s blatantly non-responsive answers abound:

Mr. Brandon Samuel
 March 8, 2021
 Page 8

- In response to the RFP's questions about the bidder's company history and growth, GPHS provided "information relating to annual revenue and the amount and source of economic resources *to which Wellpath*, a privately held company, has access." See GPHS Technical Response, xxv (emphasis added).
- In response to the RFP's question about whether receiving the contract would increase the bidder's gross revenue by more than 25%, GPHS said, "[t]his contract would increase GPHS' revenue by more than 25%. However, *our subcontracting partner—Wellpath LLC*—is currently operating at a scale required to deliver quality statewide healthcare and pharmacy services on behalf of the MDOC." *Id.* at 3 (emphasis added).
- In response to questions about the bidder's prior experience operating in Michigan, GPHS responded that "*Wellpath* has operated in Michigan since 1993." *Id.* at 5 (emphasis added).
- In response to questions about the bidder's prior experience, GPHS repeatedly provided Wellpath's prior experience instead. See *id.* at 7 ("For a more detailed summary of our experience delivering quality healthcare services, please see **Attachment 12 – Wellpath Organizational Overview**."); *id.* at 8 (Experience 1) (listing a contract entered 11 months before GPHS existed); *id.* at 9 (Experience 2) (listing a contract entered two years before GPHS existed); *id.* at 11 (Experience 3) ("*Wellpath* has successfully operated the comprehensive clinical services for the Massachusetts DOC since 2018." (emphasis added)).

These answers are non-responsive in the literal sense that they do not respond to the questions GPHS was asked. See, e.g., RFP, Vendor Questions Worksheet, No. 2 ("Discuss *your company's history*."); ("Has *your company* been a party to litigation against the State of Michigan?"); ("Within the last 5 years, has *your company* or any of its related business entities defaulted on a contract or had a contract terminated for cause?"); ("State *your* gross annual sales each of the last 5 years."); *Id.* at No. 5 ("Does *your company* have experience working with the State of Michigan?"); ("Does *your company* have experience working with other states?"); ("[D]escribe at least 3 relevant experiences for Health Care Services and 3 relevant experiences for Pharmacy Services from the last 5 years supporting *your ability* to successfully manage a contract of similar size and scope for the work described in this RFP.").

There is a good reason that both DTMB's Procurement Manual and the RFP specifically request this information about the bidder's company: the State needs to know who it is contracting with. There is nothing wrong with utilizing a subcontractor to

Mr. Brandon Samuel
 March 8, 2021
 Page 9

perform a portion of the contract. But the State is not entering into a contract with the bidder's subcontractors, and ultimately, it is the bidder's responsibility to provide the services required by the contract. For example, the RFP requires that:

- “[*The c*]ontractor must perform the Services and provide the Deliverables described in [the RFP].” RFP, Standard Contract Terms, ¶ 2.
- “[*The c*]ontractor must at all times have financial resources sufficient . . . to ensure performance of the Contract” *Id.* ¶ 7.
- “[*The c*]ontractor, at its sole expense, must maintain the insurance identified [in the RFP].” *Id.* ¶ 8.
- “[*The c*]ontractor must defend, indemnify and hold the State, its departments, divisions, agencies, offices, commissions, officers, and employees harmless, without limitation, from and against any and all actions, claims, losses, liabilities, damages, costs, attorney fees, and expenses (including those required to establish the right to indemnification)” *Id.* ¶ 32.
- “[*The c*]ontractor represents and warrants: (a) [*the c*]ontractor is the owner or licensee of any Contract Activities that it licenses, sells, or develops and Contractor has the rights necessary to convey title, ownership rights, or licensed use; (b) [*the c*]ontractor will perform the Contract Activities in a timely, professional, safe, and workmanlike manner consistent with standards in the trade, profession, or industry; (c) [*the c*]ontractor will meet or exceed the performance and operational standards, and specifications of the Contract; (d) [*the c*]ontractor will provide all Contract Activities in good quality, with no material defects; (d) [*the c*]ontractor will not interfere with the State's operations; . . . and that (j) [*the c*]ontractor is neither currently engaged in nor will engage in the boycott of a person based in or doing business with a strategic partner as described in 22 USC 8601 to 8606.” *Id.* ¶ 43.
- “[*The c*]ontractor will uphold high ethical standards and is prohibited from: (a) holding or acquiring an interest that would conflict with this Contract; (b) doing anything that creates an appearance of impropriety with respect to the award or performance of the Contract; (c) attempting to influence or appearing to influence any State employee by the direct or indirect offer of anything of value; or (d) paying or agreeing to pay any person, other than employees and consultants working for Contractor, any consideration contingent upon the award of the Contract. Contractor must immediately notify the State of any violation or potential violation of these standards.” *Id.* ¶ 44.

Mr. Brandon Samuel
March 8, 2021
Page 10

The State needs to be able to hold the entity ultimately responsible for performing the contract accountable if it fails to comply with the contract's terms. And the State cannot hold *non-parties* to the contract liable if they fail to satisfy *the successful bidder's* contractual obligations. The State thus needs to ensure that the entity holding the contract is "responsible" in the sense that it "has the ability to successfully perform the duties identified by the solicitation." Procurement Manual at § 8.4.3.

The State also needs to know that the entity holding the contract has the financial wherewithal to cover the substantial liabilities—to both the provider and the State—that come along with providing correctional health care services. As Wellpath knows, providing these services entails substantial liability risks. See *Tanner v McMurray*, No 19-2166, 2021 WL 787455 (10th Cir Mar 2, 2021) (concluding that Wellpath was not immune from suit for money damages based on allegations that it provided deliberately indifferent medical care). For this reason, the State obligates the successful bidder, who is bound by contract, to provide the State with certain protections. Among other things, the State requires a "bondability letter" "to verify *bidders'* financial ability to perform all services required under the contract." See 2/16/2021 E-mail from Brandon Samuel, attached as **Exhibit D** (emphasis added). But, upon information and belief, GPHS did not submit a bondability letter demonstrating that *it* has the financial ability to perform the contract. Instead, it again relied on Wellpath's financial resources and bonding capacity. But a bondability letter from Wellpath—a third party that owes no contractual obligations to the State—simply does not provide the State with the protection it requires.

Moreover, even if GPHS's reliance on Wellpath were permissible (it is not), GPHS's corporate structure raises significant questions about whether GPHS and Wellpath can legally enter into the arrangement GPHS has proposed. As described above, GPHS's limited corporate purposes, and Indiana and Michigan law, prohibit GPHS from engaging in activities that go beyond the practice of medicine. And entering into a contract with Wellpath to provide the extensive non-clinical services required by the contract is not the practice of medicine. Simply put, GPHS cannot enter into a contract for Wellpath to provide services GPHS cannot itself provide. Thus, even if GPHS were theoretically allowed to rely on a subcontract with Wellpath to satisfy the RFP, it could not enter into a valid and binding subcontract with Wellpath in the first place.

Corizon Health is aware that, in 2017, DTMB awarded a contract to Blue Cross Blue Shield of Michigan ("BCBSM") to provide Medicaid children's dental benefits management over objections that BCBSM relied on a third-party subcontractor, DentaQuest, to provide a significant amount of the services required by the contract and used DentaQuest's experience as its own. The problems identified in this Bid Protest, however, are categorically different—and much more serious—than the complaints about BCBSM's proposal. In that case, BCBSM was legally authorized to perform all the

Mr. Brandon Samuel
 March 8, 2021
 Page 11

services required by the RFP. And, as Michigan's largest health insurer and part of a major nationwide association, BCBSM had more than enough assets to provide the contract services. The State thus entered into a contract with—and had direct contractual remedies against—a major corporation that was able to provide the State with the protection it required.

Here, by contrast, the State would only be in a direct contractual relationship with GPHS—an entity with assets woefully insufficient to guarantee a \$589,988,000.00 contract. And, as a mere subcontractor, Wellpath would be able to simply walk away from the contract if it turned out not to be profitable, without any recourse for the State. This provides Wellpath with a substantial liability advantage over the other bidders. But the proposed arrangement only works if the State agrees to contract with GPHS, despite its insufficient experience and assets, based on the experience and assets of Wellpath, a separate entity with which GPHS plans to enter into a separate contract. DTMB's policies and the RFP specifically prohibit this. See Procurement Manual at § 8.4.3 (“Any vendor that is not responsible . . . may not move to [the next step of the procurement process].”). And they do so for good reason: accepting the lowest price from a non-responsible bidder that cannot guarantee its own contract simply fails to provide the “best value” to the State.

If Wellpath wants to provide the services in the RFP, it must follow the same process as every other bidder—submit the bid on behalf of its own company, sign the contract in its own name, and provide the contractual guarantees required to give security to the State. Wellpath failed to submit such a bid, and the bid GPHS submitted is neither “responsible” nor “responsive.” Because GPHS has insignificant background, experience, or financial resources of its own, and impermissibly used its subcontractors' qualifications throughout its proposal, GPHS should have been disqualified.

III. The Scoring of Corizon Health's Proposal Was Arbitrary and Capricious and Improperly Deducted Points from Corizon Health's Score.

Under Michigan law, an agency decision is arbitrary if it is “[w]ithout adequate determining principle[,] . . . [f]ixed or arrived at through an exercise of will or by caprice, without consideration or adjustment with reference to principles, circumstances, or significance, . . . decisive but unreasoned.” *City of Romulus v Michigan Dep't of Environmental Quality*, 260 Mich App 54, 62–64; 678 NW2d 444 (2003). A decision is capricious if it is “apt to change suddenly; freakish; whimsical; humorsome.” *Id.* An action that is arbitrary or capricious is “not authorized by law” and subject to reversal. *Id.*; *Wescott v Civil Service Comm'n*, 298 Mich App 158, 161–62; 825 NW2d 674 (2012). Similarly, Michigan courts will restrain an administrative agency when “the discretionary power of an administrative agency is abused or its judgment improperly exercised.”

Mr. Brandon Samuel
 March 8, 2021
 Page 12

Sterling Secret Service, Inc v Michigan Dept of State Police, 20 Mich App 502, 509–10; 174 NW2d 298 (1969).

Corizon Health respectfully submits that the following scoring recommendations were arbitrary and capricious under Michigan law, and it asks that they be reconsidered for the reasons set forth below:

2. Schedule A – SOW, Section 1.0 B. On-Site Primary Care Providers

- Page 36, #4 Ambulatory Care (a) – Bidder response did not describe in detail how they would keep current in screening recommendations.

As described in Corizon Health’s response, its current practice has enabled it to keep current in screening recommendations. This process includes the use of the Impact Pro Connect Portal to identify each patient with individual risk score and show gaps in care as well as screenings that need to be completed. Nursing staff schedules an annual health care screening appointment for each prisoner in an MDOC facility within 30 calendar days before or after the prisoner’s birthday, unless the prisoner is in SAI. Prisoners who are not seen on the scheduled day are rescheduled within a 30-day period.

Prisoners who do not attend the subsequent health care screening appointment are rescheduled and seen by a Medical Provider to discuss the reason for the screening and to sign a release of responsibility if the prisoner declines the screening. Prisoners who are hospitalized at the time of their regularly scheduled annual health screen may have the time adjusted, as necessary.

5. Schedule A – SOW, Section 1.0 E. Off-Site Services: Page 100, #4, Bidder provided examples, however, did not address specialty care clinics in a correctional facility.

Corizon Health’s response described the specialty care clinics that are provided on site at the Missouri Department of Corrections facilities.

6. Schedule A – SOW, Section 1.0 F. Pharmaceutical Services: Page 102, Bidder did not provide detail how they would provide 340B pricing to the MDOC. Bidder response indicated continued discussion upon contract award.

As the incumbent provider, Corizon Health has been working with the MDOC to provide 340B pricing for the MDOC. Our response indicated the progress that has been made to date which included obtaining (and providing as an attachment to our proposal) a letter of intent from McLaren Greater Lansing Hospital (“MGLH”), which is part of Corizon Health’s off-site network.

Mr. Brandon Samuel
 March 8, 2021
 Page 13

Additionally, Corizon Health obtained and provided a letter of intent from Charleston Area Medical Center, a 340B covered entity based in Charleston, West Virginia.

Corizon Health's proposal indicated our commitment to continue discussions with these two covered entities to provide the MDOC with a 340B program.

Page 107, 3. Mail order delivery of prescriptions: Bidder response and attachment 2 – Unit Dose Packaging indicated Bidder would not be providing all medications in unit dose as required.

Corizon Health's packaging is unit of use and offered credit for partial cards, which is the sole benefit of the unit-dose packaging.

Page 110, 5 (a-e) Rebates/Discounts/Revenue: Bidder checked acknowledged box, but noted conditions on the pricing page related to rebates.

Corizon Health confirms our acknowledgement of page 110, 5, (a-e) Rebates/Discounts/Revenue.

As noted in our pricing proposal, Corizon Health's price "includes a 100% rebate if the annual actual combined PPPM of Off-site and On-site Specialty and Pharmacy Risk Share is less than the combined proposed Risk Share PPPM." (Attachment 12 – Schedule B – Pricing.) This rebate was not intended to be a condition on item 5. (a-e) Rebates/Discounts/Revenue.

9. Schedule A – SOW, Section 1.0 I. General Health, Psychiatric and Pharmacy Staffing

Page 118, I.9 Bidder provided proposed staffing plans, however, no evening or night shift FTEs provided for DWHC.

Corizon Health provided the following response to this question in our response to the *MDOC's Notice of Deficiency and Clarification Request #1 – 11/16/20*:

3. On page 118, I.9 staffing plans was provided. It was indicated you will subcontract for 24/7 coverage DWHC. Please clarify what duties does that entail.

Bidder's Response:

<p>The 24/7 independent contractor coverage will provide emergency department (ED) services and inpatient (IP) hospitalist services for DWHC. This is in addition to the 5</p>
--

Mr. Brandon Samuel
 March 8, 2021
 Page 14

days per week and weekend rotations of the DWHC hospitalist that are proposed and currently assigned to DWHC.

Page 119, I.10, Bidder did not describe how it would establish productivity benchmarks.

Corizon Health believes it provided a robust response to our process of establishing productivity benchmarks as shown in the following responses in its proposal:

1. The Contractor must optimize provider productivity to assure that providers are engaged in patient care and performing duties for which they are licensed. Providers must play a role in the scheduling of their visits to coordinate appointments to minimize duplicate visits and limit unnecessary prisoner movement.

Bidder must describe how they will establish productivity benchmarks at the outset, and update/monitor throughout the duration of the contract.

Bidder Response:	<p>Corizon Health sets productivity standards for providers across all disciplines. Standards are based on productivity data, such as ADP, provider types/counts, hours worked, number of encounters by type, per day/month. Additionally, variables such as location of medication passes, and patient access are considered.</p> <p>In our contract with the MDOC, this information is tracked on our productivity tracking tool. We also have a Waitlist Tracking spreadsheet to track waitlist trends. This enables us proactively allocate resources to ensure patients' clinical needs are being met. For example, in facilities where the acuity level of patients is high, there may be a need to schedule additional time for a provider to attend to patient visits.</p> <p>Productivity standards are tracked through COMS and monitored daily. Results are discussed with sites on a monthly basis to ensure we are utilizing our current resources to the maximum and that our patients' clinical needs are being met.</p> <p>Additional detail about the productivity benchmarks we have incorporated into our contract with the MDOC are provided in our response to Question 14, below.</p>
------------------	---

2. MDOC anticipates that recruitment and retention of correctional health care staff will become more challenging over time as the health care system evolves and as changes in

Mr. Brandon Samuel

March 8, 2021

Page 15

the health care workforce occur. MDOC has received Health Professional Shortage Area (HPSA) designation for facilities throughout the State.

Bidder must check only one box below and identify exception(s):	
<input checked="checked" type="checkbox"/>	Bidder has reviewed the above section and agrees with no exception(s).
<input type="checkbox"/>	<div style="display: flex;"> <div style="flex: 1;"> Bidder has reviewed the above section and has noted all exception(s) in column to the right. </div> <div style="flex: 1; background-color: #f0f0f0;"> List all exception(s), including the justification as to why each exception is requested. </div> </div>

NOTE: IF BIDDING PHARMACY SERVICES ONLY THIS IS APPLICABLE FOR PHARMACY STAFF ONLY.

Bidders must provide a description of at least one successful means of increasing provider and pharmacy staff productivity used in a prison or jail.

Bidder Response:	<p>As noted above, in our contract with the MDOC, productivity is tracked on our productivity tracking tool. We also have a Waitlist Tracking spreadsheet to track waitlist trends. This enables us proactively allocate resources to ensure patients' clinical needs are being met. For example, in facilities where the acuity level of patients is high, there may be a need to schedule additional time for a provider to attend to patient visits. Productivity standards are tracked through COMS and monitored daily. Results are discussed with sites on a monthly basis to ensure we are utilizing our current resources to the maximum and that our patients' clinical needs are being met.</p> <p>Productivity standards are tracked through COMS and monitored daily. Results are discussed with sites on a monthly basis to ensure we are utilizing our current resources to the maximum and that our patients' clinical needs are being met.</p> <p>In 2019 we implemented a scheduling pilot at four sites. The pilot was evaluated after several months, a determination was made to roll the program out statewide. We developed a standardized schedule for all sites and conducted training for our providers. We also provided collaborative (MDOC and Corizon) virtual "refresher" course in January 2020, going across the entire state by the use of TEAMS meeting. In attendance at the January sessions were schedulers, HUMs, and providers. Since the lag in direct patient care in the clinics due to COVID, a reminder was provided at our recent Annual Conference held October 7, 2020, for medical and psychiatric providers. An example of the scheduling template is shown below. An example of the scheduling template for medical providers is shown below.</p>
-------------------------	---

Mr. Brandon Samuel
March 8, 2021
Page 16

	Eight Hour Day		Ten Hour Day
8:00	review PAQ, check emails, review schedule	8:00	review PAQ, check emails, review schedule
8:30	open for add-on - patient 1	8:30	open for add-on patient 1
9:00	patient 2	9:00	patient 2
9:30	patient 3	9:30	patient 3
10:00	patient 4	10:00	patient 4
10:30	patient 5	10:30	patient 5
11:00	lunch	11:00	lunch
11:30	lunch/chart reviews (don't scheduled any - this would be time to check emails and work on 407s, 409s & ACMO)	11:30	lunch/chart reviews (don't scheduled any - this would be time to check emails and work on 407s & 409s)
12:00	5 chart reviews	12:00	5 chart review
12:30	patient 6	12:30	patient 6
1:00	patient 7	1:00	patient 7
1:30	patient 8	1:30	patient 8
2:00	patient 9	2:00	patient 9
2:30	patient 10	2:30	patient 10
3:00	patient 11 or 5 chart reviews	3:00	patient 11
3:30	open for add-on - patient 12	3:30	patient 12
4:00	check emails, wrap up charting, finish PAQ	4:00	patient 13
4:30	leave for day	4:30	patient 14
		5:00	open for add-on - patient 15
		5:30	chart reviews
		6:00	check emails, wrap up charting, finish PAQ
		6:30	leave for day

As part of the scheduling process, we developed scheduling guidelines to facilitate the process:

- Medical care providers will be scheduled a total of 12 appointments each for a 30-minute appointment per day for an eight-hour shift. A ten-hour shift would be 16 appointments for 30 minutes per appointment. This allows for downtime for lunch along with time for charting, documentation, etc.
- For psychiatry providers the productivity goal is: 18 follow ups or 6 new patient visits per 8-hour day. For a 10-hour day the goal is 22 follow ups and 7 new patient visits.
- Provider shift schedules match the hours of when prisoners are seen in health care.
- Schedulers make the provider schedule, with input from the team based on risk score, higher acuity equals more time for the appointment. The 30-minute appointment window allows for the amount of time needed and

Mr. Brandon Samuel

March 8, 2021

Page 17

provides flexibility, thereby avoiding rescheduling of patients if they are tardy. The scheduling pilot and now the scheduling template are flexible, even with the identified slots, it is anticipated with the use of the IPRO risk scores to drive follow up appointments for Chronic Care Clinics, the patients with highest needs are seen in a timely fashion. What has been learned is that even though the number of required Chronic Care Clinic visits have decreased, the patients seen per day has not, though more satisfaction for patient and provider is seen, because those with complex medical care are seen more frequently to avoid untoward events with their health.

- Providers need to check in their appointments in COMS and look for other appointments for the prisoner. Consolidating multiple appointments is the priority.
- Providers are given credit for Case Management and other meetings or duties. One patient equals one half hour. Thus, for example, a one-hour case management meeting equals a credit for 2 patients.

We also evaluated nurse referral appointments for routine screening to enable to the provider the discretion to determine if the appointment is needed. We expanded the appointment scheduling window providing additional days, so the patient is not sent to the waitlist. Facilities with waitlists add additional appointment slots to facilitate the timeliness of appointments and eliminate the need for waitlists.

Two other factors that impact productivity standards are **provider onboarding that is specific to corrections and triage.**

Providers who are educated and oriented to the uniqueness of the correctional healthcare environment are most likely to succeed and optimize their performance.

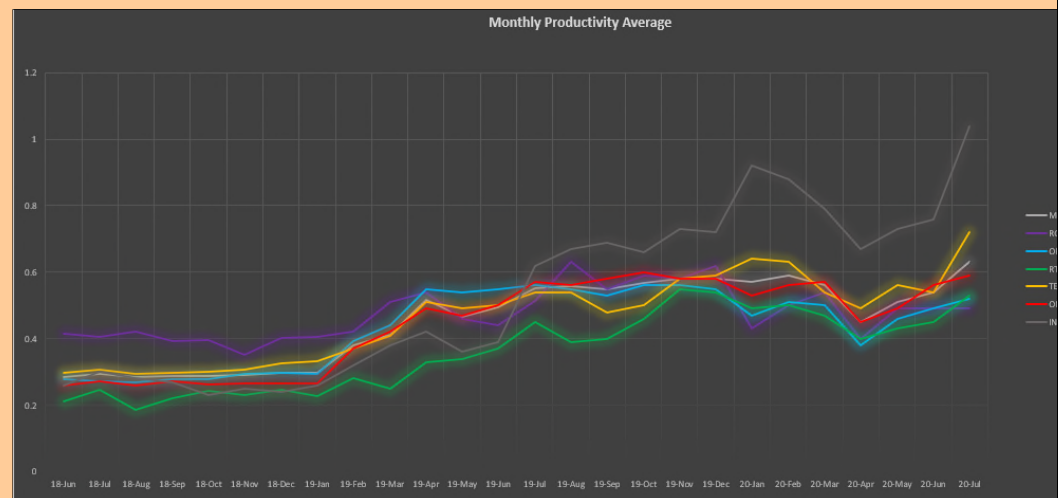
To ensure the success of our providers and reduce the likelihood of turnover, in June 2013 we introduced a hands-on Physicians Onboarding Program at the MDOC designed to educate and orient providers to correctional healthcare. Upon completion of the MDOC's mandatory training and Corizon Health's new employee orientation, providers are brought on site to be mentored by the facility's medical and psychiatric providers and midlevels.

Mr. Brandon Samuel
 March 8, 2021
 Page 18

Triage is also important for productivity. In sorting out patients with complex needs and making the individuals the first patients to be seen, a medical provider sees complex patients early in the day to allow more time get referrals or additional clinical work accomplished and address needs proactively. This approach of triaging and seeing the complex patients first can also facilitates custody staff assistance as necessary. Another approach is to consider group appointments for common primary care problems – for example, during a round of winter colds and flu when a quick assessment, patient education and supportive treatment are appropriate to use in a group setting as long as patients are given the option of a more private encounter.

Measuring Productivity

As shown in the graph below, we have made significant improvement in psychiatric provider productivity over the past two years. This is attributable to the education and director provided by the Regional Psychiatric Director and Psychiatric Operations Directors to psychiatric providers and schedulers as to how patients should be scheduled in order to maximize the productivity of the psychiatric providers.



Mr. Brandon Samuel
 March 8, 2021
 Page 19

27. Schedule A – SOW, Section 3.0 Staffing: Bidder proposed candidate for the SUD Director does not have relevant experience or credentials.

Corizon Health proposed both Dr. Danielle Bradshaw and Dr. Patricia Schmidt, indicating that they would be appropriately credentialed for the SUD Director role at the start of the new contract. (Note, the table in this section 3.0 staffing did not allow for any narrative to explain this, however, an explanation was provided on page 19 of our response (as shown below)).

**Pg. 19 1.0.A Collaborative Model
 Identification of a Substance Use Disorders Director**

In accordance with the RFP's Key Personnel requirement, Corizon Health recognizes the MDOC's desire to have a Substance Use Disorder Director to provide clinical management and oversight of substance use disorders treatment and prevention. We also understand that the individual proposed can be the Medical Director or the Psychiatric Director. It is our intention under the new contract to have both our State Medical Director, Patricia Schmidt, DO, FACOI and our Regional Psychiatric Director, Danielle Bradshaw, DO serve in this position. We believe that their experience with the MDOC population, combined with their knowledge of the integrated care program and MDOC protocols, will allow for a seamless transition into this role without providing any disruption to patient care.

Corizon Health will assume the responsibility of ensuring that Dr. Schmidt and Dr. Bradshaw are appropriately credentialed for the responsibilities of this position at the start of the new contract. Additionally, Dr. Ravi Yarid, one of our Michigan providers and MAT Champion, is addiction-trained.

IV. Request for Relief.

For the foregoing reasons, we respectfully submit that DTMB erred by making an Award Recommendation to GPHS because GPHS is an unexperienced provider without the legal capacity to provide the non-medical services required by the contract. Additionally, DTMB improperly deducted points from Corizon Health's application, as described more fully above. Accordingly, we respectfully request that:

1. DTMB withdraw its Recommendation of Award to GPHS;
2. DTMB deem GPHS a non-responsible and non-responsive bidder, which is ineligible for the RFP Award;

Mr. Brandon Samuel
March 8, 2021
Page 20

3. DTMB reevaluate and rescore Corizon Health's proposal to correct the errors described above; and
4. DTMB recommend the award of the contract to Corizon Health as the remaining qualified bidder that provides the "best value" to the State.

Very truly yours,

HONIGMAN LLP



Peter B. Ruddell

cc: Mr. Brom Stibitz
Ms. Bree Anderson
Ms. Michelle Lange
Mr. James Colangelo
Mr. Jared Ambrosier
Mr. William Camp

EXHIBIT A

CSCL/CD-560 (Rev. 01/14)

MICHIGAN DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU										
Date Received	(FOR BUREAU USE ONLY) <i>600 rec'd</i>									
This document is effective on the date filed, unless a subsequent effective date within 90 days after received date is stated in the document.										
<table border="1"> <tr> <td colspan="3">Name Braden Smith</td> </tr> <tr> <td colspan="3">Address 140 Grand Street, Suite 300</td> </tr> <tr> <td>City White Plains, NY 10601</td> <td>State</td> <td>ZIP Code</td> </tr> </table>		Name Braden Smith			Address 140 Grand Street, Suite 300			City White Plains, NY 10601	State	ZIP Code
Name Braden Smith										
Address 140 Grand Street, Suite 300										
City White Plains, NY 10601	State	ZIP Code								

FILED
FEB 26 2015
ADMINISTRATOR
CORPORATIONS DIVISION
EFFECTIVE DATE:

Document will be returned to the name and address you enter above.
If left blank, document will be returned to the registered office.

60752Q

APPLICATION FOR CERTIFICATE OF AUTHORITY TO TRANSACT BUSINESS OR CONDUCT AFFAIRS IN MICHIGAN

For use by Foreign Corporations

(Please read information and instructions on the last page)

Pursuant to the provisions of Act 284, Public Acts of 1972 (profit corporations), or Act 162, Public Acts of 1982 (nonprofit corporations), the undersigned execute the following Application:

1. The name of the corporation is:

Grand Prairie Healthcare Services, P.C.

2. (Complete this item only if the corporate name in item 1 is not available for use in Michigan.)

The assumed name of the corporation to be used in all its dealings with the Bureau and in the transaction of its business or conducting of its affairs in Michigan is:

3. It is incorporated under the laws of Indiana. The date of its incorporation is 11/18/2014, and the term of existence if other than perpetual is _____.

4. a. The address of the main business or headquarters office of the corporation is:

1283 Murfreesboro Pike, Ste. 500, Nashville, TN 37217

(Street Address)

(City)

(State)

(ZIP Code)

b. The mailing address if different than above:

(Street Address)

(City)

(State)

(ZIP Code)

5. The street address of its registered office in Michigan is:

30600 Telegraph Road, Suite 2345
(Street Address)

Bingham Farms
(City)

Michigan 48205-5720
(ZIP Code)

The mailing address of the registered office in Michigan if different than above:

(Street Address or P.O. Box)

(City)

Michigan _____
(ZIP Code)

The name of the resident agent at the registered office is: Business Filings Incorporated

The resident agent is an agent of the corporation upon whom process against the corporation may be served.

6. The specific business or affairs which the corporation is to transact or conduct in Michigan is as follows:

Provide medical services.

All shareholders are duly licensed in Michigan or otherwise legally authorized to render one or more of the professional services for which the corporation is organized.

The corporation is authorized to transact such business in the jurisdiction of its incorporation.

7. (To be completed by profit corporations only)

The total authorized shares of the corporation are: 1,000

8. If the applicant is a trust please specify any powers or privileges possessed by the trust that are not possessed by an individual or a partnership.

Signed this 9th day of January, 2015

By Cassandra L Newkirk
(Signature of Authorized Officer or Agent)

Cassandra Newkirk
(Type of Print Name)

STATE OF INDIANA
OFFICE OF THE SECRETARY OF STATE
CERTIFICATE OF EXISTENCE

To Whom These Presents Come, Greetings:

I, Connie Lawson, Secretary of State of Indiana, do hereby certify that I am, by virtue of the laws of the State of Indiana, the custodian of the corporate records, and proper official to execute this certificate.

I further certify that records of this office disclose that

GRAND PRAIRIE HEALTHCARE SERVICES, P.C.

duly filed the requisite documents to commence business activities under the laws of State of Indiana on November 18, 2014, and was in existence or authorized to transact business in the State of Indiana on January 21, 2015.

I further certify this Domestic Professional Corporation has filed its most recent report required by Indiana law with the Secretary of State, or is not yet required to file such report, and that no notice of withdrawal, dissolution or expiration has been filed or taken place.



In Witness Whereof, I have hereunto set my hand and affixed the seal of the State of Indiana, at the city of Indianapolis, this Twenty-First Day of January, 2015.

Connie Lawson

Connie Lawson, Secretary of State

2014111900807 / 2015012100158

EXHIBIT B



ARTICLES OF INCORPORATION

State Form 4159 (R16 / 5-14)

Approved by State Board of Accounts 2014

APPROVED
AND
FILED

Connie Lawson
IND SECRETARY OF STATE

RECEIVED
14 NOV 18 AM 11:00

CONNIE LAWSON
SECRETARY OF STATE
BUSINESS SERVICES DIVISION
302 W. Washington Street, E018
Indianapolis, IN 46204
Telephone: (317) 232-6576

INSTRUCTIONS

1. Use 8 1/2" x 11" white paper for attachment.
2. Present original and one copy of this form in upper right corner of this form.
3. Please TYPE or PRINT in INK.
4. Please visit our office at www.sos.in.gov.
5. Make check or money order payable to Secretary of State

Indiana Code 23-1-21-2

FILING FEE: \$90.00

ARTICLES OF INCORPORATION

The undersigned, desiring to form a Corporation (hereinafter referred to as "Corporation") pursuant to the provisions of:

☐ Indiana Business Corporation Law

☒ Indiana Professional Corporation Act 1983, Indiana Code 23-1-5-1-1 et seq (Must include a Certificate of Registration.)

As amended, executes the following Articles of Incorporation:

ARTICLE I - NAME AND PRINCIPAL OFFICE

Name of Corporation (The name must include the word Corporation, Incorporated, Limited, Company or an abbreviation thereof.)

Grand Prairie Healthcare Services, P.C.

Address of Principal Office (number and street)

1283 Murfreesboro Road, Suite 500

City

Nashville

State

TN

ZIP code

37217

ARTICLE II - REGISTERED OFFICE AND AGENT

Registered Agent: The name and street address of the Corporation's Registered Agent and Registered Office for service of process are:

Name of Registered Agent (Cannot be the corporation itself)

Business Filings Incorporated

Address of Registered Office (number and street) (PO Box not accepted)

150 West Market Street, Suite 800

City

Indianapolis

State

IN

ZIP code

46204

Required:

- ☒ By checking the box, the Signator(s) represents that the registered agent named in the application has consented to the appointment of registered agent.

ARTICLE III - AUTHORIZED SHARES

Number of shares the Corporation is authorized to issue: 1,000

If there is more than one class of shares, shares with rights and preferences, list such information as "Exhibit A."

**ARTICLE IV - INCORPORATORS
(INCORPORATORS MAY NEVER BE AMENDED)**

NAME	NUMBER AND STREET OR BUILDING	CITY	STATE	ZIP CODE
Cassandra F. Newkirk	1283 Murfreesboro Road, Suite 500	Nashville	TN	37217

In Witness Whereof, the undersigned being all the incorporators of said Corporation sign these Articles of Incorporation and verify, subject to penalties of perjury, that the statements contained herein are true.

this 7th day of November 20 14

Signature of incorporator <i>Cassandra F. Newkirk</i>	Printed name Cassandra F. Newkirk
Signature of incorporator	Printed name
Signature of incorporator	Printed name

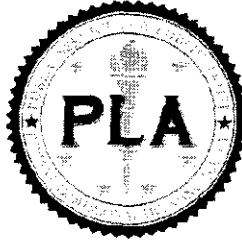
This instrument was prepared by: (name)

Kathy Powell

Address (number and street, city, state, and ZIP code)

1283 Murfreesboro Road, Suite 500, Nashville, TN 37217

Professional Licensing Agency
402 West Washington Street
Room W072
Indianapolis, Indiana 46204



Michael R. Pence
Governor of Indiana
Nicholas W. Rhoad
IPLA Executive Director
14 NOV 18 AM 11:05

November 13, 2014

Grand Prairie Healthcare Services, P.C.*
1283 Murfreesboro Road, Ste 500
Nashville TN 37217


CERTIFICATE OF REGISTRATION

The Indiana Professional Licensing Agency received an application for a certificate of registration from the proposed corporation **Grand Prairie Healthcare Services, P.C.***.

In accordance with I.C.23-1.5-2-9 (c), the Medical Licensing Board reviewed the application and found that the directors and shareholders of the proposed corporation are properly licensed in compliance with the statute and regulations of the licensing authority and that the corporation will be organized in compliance with the statute and regulations of the licensing authority.

The Medical Licensing Board certified those facts to the agency and requested that a certificate of registration be issued.

Grand Prairie Healthcare Services, P.C.* has remitted \$ 25.00 to the Indiana Professional Licensing Agency according to I.C. 23-1.5-2-9 (c) (2). The Indiana Professional Licensing Agency has issued this certificate of registration to the proposed corporation Grand Prairie Healthcare Services, P.C.*, and certifies that it has complied with I.C.23-1.5-2-9 (b) and (c).


for Nicholas W. Rhoad
Executive Director
Indiana Professional Licensing Agency

**State of Indiana
Office of the Secretary of State**

CERTIFICATE OF INCORPORATION

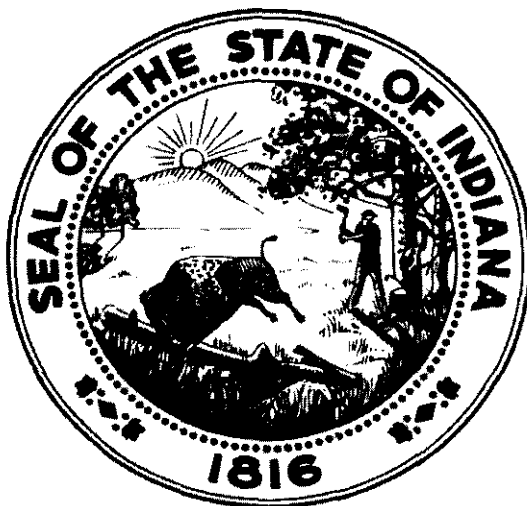
of

GRAND PRAIRIE HEALTHCARE SERVICES, P.C.

I, CONNIE LAWSON, Secretary of State of Indiana, hereby certify that Articles of Incorporation of the above Domestic Professional Corporation have been presented to me at my office, accompanied by the fees prescribed by law and that the documentation presented conforms to law as prescribed by the provisions of the Indiana Professional Corporation Act of 1983.

NOW, THEREFORE, with this document I certify that said transaction will become effective Tuesday, November 18, 2014.

In Witness Whereof, I have caused to be affixed my signature and the seal of the State of Indiana, at the City of Indianapolis, November 18, 2014.



Connie Lawson

CONNIE LAWSON,
SECRETARY OF STATE

EXHIBIT C



Monday, March 1, 2021

Article 3

New MDOC Health Care Provider Would Save \$100M, Prompts Alarm

Grand Prairie Health Services PC may soon be installed as the next health care provider for the Department of Corrections after the Department of Technology, Management and Budget recommended it over current provider Corizon in a request for proposal last week.

Documents from DTMB obtained by Gongwer News Service Monday indicate that Grand Prairie's contract has been awarded for \$589,988,000, pending approval.

Corizon became the state's sole provider of physical and mental health care, as well as pharmacy services, in 2016. By 2019, Corrections had withheld \$1.6 million in payments to the company for contract violations (See **Gongwer Michigan Report, February 20, 2019**). The Corizon deal was for \$715.7 million over five years. That means the Grand Prairie deal, also for five years, would save the state more than \$100 million.

Among the reasons cited for recommending Grand Prairie in the recommendation: including social determinants of health as part of risk stratification, reduced need for backup pharmacy, providing training to corrections officers and a client portal.

Some, however, contend that the move from Corizon to Grand Prairie is too soon considering the time available to protest the bidding process, and that transparency from the DTMB on the process has been inadequate.

What's more, what the Department of Licensing and Regulatory Affairs lists as Grand Prairie's registered office mailing address is the same address in Nashville, Tennessee, that the city's chamber of commerce lists as belonging to one of the nation's largest for-profit prison health care providers – Wellpath, formerly known as Correct Care Solutions.

The organization operates 550 centers in 36 states and even has some facilities operating in Australia. According to its website, Wellpath treats around 300,000 prisoners per day.

In recent years Wellpath has come under fire for a number of inmate deaths, suicides and physical or mental harm caused by what families in several states – including **Maine, Washington, North Carolina, Georgia** and even **Michigan** – have alleged as being a company that provides negligent care for inmates in state jail and prison systems.

Attempts at confirming that Wellpath and Grand Prairie were connected were unsuccessful. There is no immediate online presence for Grand Prairie Health Services, and an attempt at looking through Wellpath's website for a link between the two resulted in no return searches.

A call to the number listed for Wellpath by the Nashville Chamber of Commerce was not returned in time for publication but was confirmed to be associated with the Wellpath organization.

DTMB spokesperson Caleb Buhs later confirmed that the anticipated "go-live for full transition" to Grand Prairie is slated for October, with the target being for MDOC "to begin the transition period as soon as Grand Prairie Health Services contract is signed and approved by the State Administrative Board."

Asked if he could confirm what connection Wellpath had to Grand Prairie, Mr. Buhs said that Wellpath is the administrator with which Grand Prairie has contracted but could not say how much a decision made by Wellpath would affect how Grand Prairie makes its decisions.

He also was unable to comment on if that information was known to the four individuals, three with MDOC and one with DTMB, with the ability to vote on a final recommendation or the 16 individuals on the advisory committee.

Calls to a number of different prisoner-advocacy groups – including Humanity for Prisoners, Michigan Citizens for Prison Reform and Safe and Just Michigan – also confirmed they had not heard of Grand Prairie prior to this RFP.

A point system out of 308 was used to judge companies bidding to supply both health care and pharmacy services while a point system of 151 was used to score companies just bidding on the ability to provide pharmaceutical services.

Within DTMB's RFP, Grand Prairie reportedly scored 289/308 in an evaluation of services the company provided, ranging from on-site psychiatric services to technical overviews of IT systems.

The company scored full marks in every category except six.

In the category of on-site primary care providers, Grand Prairie scored 38/40, with deductions taken as their bidding response did not specifically address how it would ensure facilities will have providers with or knowledge in managing populations that use special units and services. Regarding psychiatric and pharmacy staffing, it scored a 36/38, due to not addressing plans for coverage of unexpected vacancies using a pool of per diem providers, telehealth services, registry staff and other means.

It also scored a 9/10 in the category of claims processing for not having described how non-Medicaid eligible claims would be priced.

Grand Prairie also received two 29/30 scores in the categories of staffing and specific infrastructure standards, the former score being for not having included a list of subcontractors in its staffing list and the latter for not having parts of its pharmacy chain ADA compliant. It is noted within the RFP that the necessary steps are being taken to bring it into compliance.

The company's lowest score, however, was an 18/30 in experience. DTMB documents indicate that in a vendor questions worksheet, Grand Prairie had not worked in some prisoner health care or pharmacy settings of similar population size or handling financial amounts.

Asked if this bothered the department, MDOC spokesperson Chris Gautz said that as the switch had not yet been made official, he could not answer questions regarding the bid and referred comments to DTMB.

It should be noted that of the health care providers scored, Grand Prairie was not the highest scorer, that going to Wexford Health Sources, Incorporated, which came in at 297/308. Mr. Buhs said that was due to the fact that both point scoring and pricing factored into the DTMB's ultimate recommendation. It is not unusual for a bidder without the highest score to win a bid award.

Grand Prairie was able to offer the lowest total five-year contract pricing among the four providers that passed the scoring threshold, of which a total of 246 points were needed to advance.

"When doing these reviews, and it's an evaluation committee that does a review of the bid, they do not look at any pricing until after the scoring is done," Mr. Buhs said. "So, there's no ability to have the price of a service impact a score. ... The goal here is to get the best value for the services that we're getting. It's not just the highest score and it's not just the lowest bid."

He also said he could not speak to each committee member's reasoning behind recommending Grand Prairie, especially considering its lower score in experience, but that there were "a lot of factors, especially in a contract this large."

"They finished second of the four that scored high enough to compete, so I don't think that experience was a huge knock against (Grand Prairie)," Mr. Buhs said. "It has to be considered with all the totality of the entire bid."

But aside from the Wellpath aspect of the bid, some are also calling into question the timeline of the entire process, taking issue with the short window of protesting the state's choice.

In a letter to DTMB officials dated March 1, Peter Ruddell with Honigman LLP wrote that the firm believes the agency's request for proposal, the allotted protest period of five days and their failure to provide any public documents in response to any Freedom of Information Act requests in a timely manner "is one of the most egregious abuses of power by DTMB in a procurement." It was not clear if Honigman is representing one of the losing bidders.

Mr. Ruddell's letter said DTMB issued a notice of award to Grand Prairie on Friday, February 26, and will close its protest period this coming Wednesday which he maintains is an "unusually short" window of time and "contrary to standard practice by DTMB."

"This contract spends more taxpayer dollars than many of those procured by DTMB. The winning bidder proposed a contract valued at nearly \$600 million," Mr. Ruddell wrote. "Rather than rushing a protest period and delaying the release of public documents, DTMB should welcome the accountability and transparency a thorough and robust public review period provides."

Mr. Buhs, however, said the five-day protest period is standard and that the RFP process followed "all of the same rigorous and transparent standards that we always use."

Further, because the RFP was approved on Friday, Mr. Ruddell noted that any FOIA requests into the process would not have to be acknowledged by the state until Friday, March 5, after the ability to protest the contract is over. Yet, as RFP documents have been submitted to the state electronically, Mr. Ruddell maintains that it would be of no cost to the state to simply make those documents public.

Mr. Ruddell wrote that the firm is requesting DTMB release all public documents submitted as proposals in response to the RFP and extend the protest deadline to 10 days after the release of all public documents.

DTMB documents indicate the RFP was posted on SIGMA VSS August 26, 2020, and was left up for 59 days. This allowed a first and second round of question-and-answer periods with eight bidders, including Corizon, Wexford and Grand Prairie, submitting proposals by the published due date of October 23, 2020.

Others who threw their name in for consideration to provide both health care and pharmacy services include Centurion of Michigan, LLC and InGenesis, Incorporated. Those solely bidding on pharmacy services included Diamond Pharmacy Services, Correct Rx Pharmacy Services, Incorporated and PharmaCorr, LLC.

As to if the DTMB would honor Mr. Ruddell's ask to make public the documents submitted for the RFP, Mr. Buhs said the department was "always looking for opportunities to improve our process, if there is one."

"If there is an opportunity for improvement, then absolutely, we want to consider that," he said.

Asked if that meant DTMB would be open to releasing the documents, Mr. Buhs again reiterated the department was "always looking for opportunities to improve our process."

EXHIBIT D

Underkoffler, Keith D.

From: Samuel, Brandon (DTMB) <SamuelB@michigan.gov>
Sent: Tuesday, February 16, 2021 1:13 PM
To: Samuel, Brandon (DTMB)
Subject: Bondability letter (Prisoner Health Care and Pharmacy Services)

Importance: High

Good afternoon,

The State needs to verify bidders' financial ability to perform all services required under the contract, including payment to any/all subcontracting entities, by requesting a 'bondability letter' with respect to the contract value. Please provide the required letter by this Thursday, close of business. If, additional time is required please advise.

Thank you.

Brandon Samuel, 
State Assistant Administrator
Central Procurement Services – Enterprise Sourcing
State of Michigan
517-249-0439
Email Samuelb@michigan.gov



Think Procurement is doing a great job? Nominate any Central Procurement staff for an Employee Recognition Award by clicking here: [Nominate our staff for an Employee Recognition Award!](#)

For current bids and new registration, please visit: www.michigan.gov/sigmavss

For vendor information, please visit: www.michigan.gov/miprocurement

Exhibit B:

April 1 DTMB Response

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET
LANSING

April 1, 2021

Peter B. Ruddell
Honigman LLP, counsel for Corizon, Inc.
222 North Washington Square, Suite 400
Lansing, MI 48933-1800
Via e-mail to: pruddell@honigman.com

Mr. Ruddell:

Re: Protest of Inmate Healthcare Award, Request for Proposal ("RFP") #200000002287

The Department of Technology, Management, and Budget – Central Procurement Services ("DTMB") has received your protest, dated March 8, 2021 ("Protest"), for the above-referenced contract award recommendation ("Award"). Corizon Inc. ("Corizon") essentially relies on two (2) main premises in its protest, each with multiple specific concerns.

Corizon begins its protest with a lengthy procedural history. There are several notable errors contained therein, the State will address only two in this letter. First, Corizon reserves the right to amend or supplement its protest. To be clear, the protest process itself is merely a courtesy extended by the State, pursuant to its procurement policies. Therefore, Corizon has no such rights to reserve. Corizon's Protest has been given proper consideration and the determination by the State following the initial protest is final. Additionally, Corizon touts its "record of performance under the contract, demonstrat[ing] the strength and capabilities Corizon Health offers to the State of Michigan." The State would disagree with that assessment as Corizon's past performance under this contract has been woefully deficient at times, with numerous documented performance issues. For example, please see **Exhibit A**, a letter dated May 30, 2019, detailing specific instances of underperformance.

Regarding Scoring, Corizon received 264 out of 308 total points possible in the technical portion of the evaluation, thereby passing the minimum threshold of 246 required to be considered an eligible bidder. The protest includes eight (8) specific deficiencies challenges, and those eight deficiencies correspond to 15 total points deducted from Corizon's total score (it is worth noting that Corizon received partial credit for several responses). If Corizon had received full credit for all 8 of the specified deficiencies, the total technical score would have increased to 279/308. However, even if Corizon had received that increased score, it would not have been sufficient to change the "Best Value" calculus. For ease of reference, the specified deficiencies are tabulated below.

#	Section/Page	Description	Points	Deficiency
All point deductions were taken from vendor responses to Schedule A - SOW				
1	Section 1.0 B. - Page 36 #4	On-Site Primary Care Providers	1	Bidder response did not describe in detail how they would keep current in screening recommendations.
2	Section 1.0 E - Page 100, #4,	Off-Site Services	2	Bidder provided examples, however, did not address specialty care clinics in a correctional facility.
3	Section 1.0 F. - Page 102	Pharmaceutical Services	4	Bidder did not provide detail how they would provide 340B pricing to the MDOC. Bidder response indicated continued discussion upon contract award.
4	Section 1.0 F. - Page 107 #3	Mail order delivery of prescriptions	1	Bidder response and attachment 2 – Unit Dose Packaging indicated Bidder would not be providing all medications in unit dose as required.
5	Section 1.0 F. - Page 110 #5 (a-e)	Rebates/Discounts/Revenue	1	Bidder checked acknowledged box but noted conditions on the pricing page related to rebates
6	Section 1.0 I. 9 - Page 118	General Health, Psychiatric and Pharmacy Staffing	2	Bidder provided proposed staffing plans, however, no evening or night shift FTEs provided for DWHC.
7	Section 1.0 I. 10 – Page 119	Productivity Benchmarking	1	Bidder did not describe how it would establish productivity benchmarks.
8	Section 3.0	Staffing	3	Bidder proposed candidate for the SUD Director does not have relevant experience or credentials.

1. In this instance, Corizon described the screening tools they will use and industry recommendations for screening. However, their proposal fails to address how they will keep current. (#4.a. of RFP section 1.0 B states, “Bidder must describe how their organization will keep current in screening recommendations as noted in the above requirement.”). The Award clearly indicated the basis for this deduction and nothing about this lone lost point seems disproportionate to the deficiency. The deduction is proper.
2. The example of clinics provided by the bidder are chronic care clinics. The RFP specified that the proposal should list a specialty clinic, e.g., optometry or audiology. Chronic care clinics are not examples of specialty clinics as requested. The deduction is proper.
3. Here, Corizon appears to rely on the fact that they are the incumbent to support the requirement to provide details. Corizon lists examples of 340B entities, and indicates that they will provide savings, but does not elaborate on the methods or process, which is required (i.e., the “details”). Even the protest itself merely reemphasizes a “commitment to continue discussion,” which, on its face, fails to provide any of the requisite detail. The deduction is proper.

4. In this case, the RFP asked for the ability to provide specific unit doses and Corizon's proposal fails to do so. The deduction is proper.
5. Here, Corizon references another section of their proposal in support of the notion that they are complying here. Further, the deduction is specifically for accepting the entirety of the section (by so indicating in the checkbox), but then redlining subsection c. in its entirety. This is a facially clear conflict and merits the deduction. The deduction is proper.
6. After being asked clarifying questions regarding the nature of evening and night shifts, Corizon has failed to provide any specific details for the FTEs as requested. Corizon instead seems to insist that it can rely on its blanket claim that "24/7" service will be provided. Again, this lack of clarity/specificity warrants an appropriate deduction. The deduction is proper.
7. Corizon, in this instance, describes the data they will use for productivity, but does not specify how they will establish them. (#10 of RFP section 1.0 I states, "Bidder must describe how they will establish productivity benchmarks at the outset, and update/monitor throughout the duration of the contract."). Additionally, a tracking tool is mentioned, but that does not describe how the sources are used to develop the benchmarks. An explanation of what standards are used to determine the base level benchmark would have been a more appropriate response. The deduction is proper.
8. Here, Corizon plainly failed to present properly credentialed individuals. Neither of the two proposed M.D.s had the SUD credentialing required. Corizon's suggests in its protest that its bid indicated that the named individuals would be credentialed at the onset of the new contract. Corizon cites page **19 1.0.A** from the bid as evidence. A plain reading of the cited paragraph demonstrates no support for Corizon's assertion. (**See Exhibit B**). In fact, the only time any language is used suggesting this prospective credentialing is within the protest itself. It is appropriate for the State to deduct points for failing to meet the requirements as explicitly detailed in the RFP. The deduction is proper.

The final determination of DTMB is that zero (0) additional points should be awarded to Corizon. As stated above, even if Corizon had received full points on each of the noted claims, it would not have changed DTMB's ultimate calculation of which technically adequate bidder would provide the best overall value to the State and therefore be granted the Award. Additionally, although the protesting bidder makes the assertion that DTMB's scoring was arbitrary and capricious in nature, which clearly does not bear the weight of scrutiny, it should be noted that Corizon provided no actual substantive basis for that claim. Corizon merely cited a legal standard without providing any facts or substantive analysis in support of the position, positing its own subjective disagreement with DTMB's reasoned determination. Corizon's bid response was given due consideration and the points awarded or deducted were based on a clearly discernable and reasonable basis.

The protest presents two distinct legal challenges to analyze. First, Corizon asserts that GPHS is legally incapable of performing under the terms of the contract as a Professional Corporation ("P.C."). Next, Corizon asserts that GPHS improperly bid based on their subcontractor's credentials rather than their own.

Corizon cites no direct Michigan law in support of its position that GPHS is legally incapable of entering into this Contract. Further, such a claim is suspect on a practical level in that, if it were true, the implication would be that a P.C. could not subcontract their accounting, billing, legal services, etc. GPHS has made clear in its bid that it would subcontract all non-clinical obligations, therefore avoiding the necessity of it having to perform services outside of its professional scope.

Regarding the technical nature and propriety of GPHS's bid, the State views Corizon's argument as largely semantic. No bidder is fully capable of meeting all of the needs and services under this contract; all bidders would utilize subcontractors. All of the bids contain language including self-referential pronouns, but not one of the bidders could fully perform all requirements of the Contract independently, without the use of subcontractors. GPHS is the nominal owner of the bid, and there is no impropriety in a bid that factors in work to be done by subcontractors.

Finally, Corizon brings up the fact that GPHS does not maintain sufficient capitalization to protect the state in case of failure to perform. Corizon is well aware that all bidders were assessed for "bondability" and ultimately provided assurances that they would be financially responsible.

Your protest of the recommended Award is respectfully denied. The State appreciates your years of service and your participation in the bidding process, and we look forward to your participation in future bids.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Ambrosier', with a stylized flourish at the end.

Jared Ambrosier
Interim Chief Procurement Officer
DTMB Procurement

Cc: Will Camp
Brandon Samuel
Pam Platte



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET
LANSING

TRICIA L. FOSTER
DIRECTOR

May 30, 2019

Corizon Health, Inc.
C/O Steve Rector, CEO
12647 Olive Blvd.
St. Louis, MO 63141

***Via email to steve.rector@corizonhealth.com and
frank.fletcher@corizonhealth.com
and overnight mail, return receipt requested***

Re: Integrated Prisoner Health Care MDOC
Contract no. 071B6600081

Dear Mr. Rector:

This letter is to provide your team with formal notice to cure deficiencies involving Corizon's contract with the Michigan Department of Technology, Management and Budget (DTMB), entered on behalf of the Michigan Department of Corrections (MDOC) (together, the State).

The State demands that Corizon cure all breaches and deficiencies noted below in Table 1 by **June 30, 2019**. This notice is issued under section 2 and section 23 of the contract.

Table 1 summarizes the State's current concerns. Many issues have been documented through formal corrective action plans (CAPs) or via written vendor complaints, the latter of which are included with this correspondence. This letter also addresses Corizon's deficient handling of the scabies outbreak at the Women's Huron Valley (WHV) facility and beyond.

As a general overview, the State is dissatisfied with the significant time and resources necessary to manage Corizon's lack of compliance with the contract. MDOC expends inordinate resources tracking and monitoring issues and following-up on Corizon's missed timelines. MDOC has also incurred direct costs in securing providers to address immediate treatment needs.

A root cause is Corizon's failure to dedicate resources sufficient to provide the services required under the contract. This is evidenced by unacceptably long wait lists for prisoners to be seen by a medical provider, a backlog of comprehensive psychiatric examinations, extensive deficiencies in data quality and integrity, and a lack of responsiveness, among other concerns.

Corizon Health, Inc.
Page 2
May 30, 2019

Compounding this problem is that two of Corizon's regional staff members split their time between the State's contract and county jail contracts, when they should be solely assigned to the State's contract.

As to the data issue, Corizon has failed to implement a quality assurance process to ensure data accuracy. As such, MDOC has been inappropriately burdened with finding and documenting errors that Corizon should have identified and remediated prior to submission to the State.

The scabies outbreak at Women's Huron Valley (WHV) warrants special discussion. Page 8 of Schedule A at section 3.1.A.3.d. states that Corizon is responsible for addressing chronic medical conditions related to infectious disease. The contract at section 3.1.J on page 24 also sets forth Corizon's responsibility to provide offsite specialists as needed.

As early as 2017, prisoners at WHV began complaining of rashes. Corizon, however, failed to timely create a comprehensive treatment plan to address the concern from a medical perspective. Corizon also failed to: (1) enlist providers capable of recognizing scabies symptoms; (2) to secure onsite specialty services to confirm diagnoses; and (3) implement a follow-up plan to ensure prisoners were seen by a medical provider to validate resolution.

At our quarterly meeting on February 5, 2019, MDOC requested Corizon remit a comprehensive plan for scabies treatment by February 15, 2019, including a follow-up plan for anyone that had been treated for scabies. Corizon submitted its plan late—on February 18—and only after yet another inquiry by MDOC.

As of May 20, 2019, there are three additional recurrent cases of scabies at WHV. An entire unit had to be treated. At least one of the cases was due to lack of timely follow-up from the on-site providers.

Other correctional facilities have encountered scabies issues as well. Although Corizon implemented a webinar training for its medical providers, Corizon has failed to ensure all relevant medical personnel are timely in completing their training. This is evidenced by at least two instances at Duane Waters Health Center (DWHC) in which Corizon subcontractors failed to follow scabies protocols and processes. Another example is at Cooper Street Correctional Facility (JCS), where Corizon failed to: (1) conduct scabies follow-up per protocol and (2) evaluate prisoner bunkies for scabies. This failure has caused JCS prisoners to undergo additional scabies treatment.

Corizon Health, Inc.

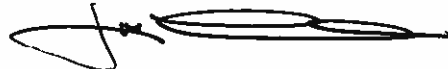
Page 3

May 30, 2019

Corizon's failure to provide consistent treatment follow-up and train its staff properly is causing MDOC to incur costs to retreat offenders, as well as devote MDOC resources to ensure Corizon staff are following established protocol.

While the State values its relationship with Corizon, these issues must be resolved. We look forward to a substantive response from Corizon that commits to resolving these deficiencies within the specified timeframe.

Sincerely,

A handwritten signature in black ink, appearing to read 'James Colangelo', with a stylized flourish extending to the right.

James Colangelo
Chief Procurement Officer
DTMB Procurement

c: Mason Gill via email at mason.gill@corizonhealth.com

Table 1
Current Vendor Deficiencies

#	Contract Area	Issues Identified	Documentation	Status
1	Health Care	Unacceptable wait lists for medical provider services at facilities designated below.	Updated corrective action plan (CAP) issued May 6, 2019 to address all facilities with a wait list.	Open. Corizon continues to send weekly action plans for all facilities with a waitlist >0. Currently WHV remains over 100.
2	Health Care	Documentation deficiencies with Dr. Mambi that are compounded because he fills-in at many facilities.	MDOC contract monitor has created a tracking system.	Open. Issues identified February 19, 2019 and discussed at contract meeting. On April 29, 2019, MDOC requested Corizon provide additional training.
3	Financial	Corizon reviewed event-based reporting for contract year 2 to analyze system capabilities. Corizon can't provide the level of detail required under the contract.	CAP issued October 5, 2017.	Open. Requirements related to this level of reporting have not been met since the contract's start. Corizon presented deficiencies that are preventing them from being able to accomplish this reporting. MDOC recognizes the difficulties and accepted an interim resolution to reporting accruals on the monthly Financial Reporting package. Corizon must continue to develop the needed process for event-based reporting of claims and accruals.
4	Financial	Inaccurate financial and pharmacy data, including: a. Pharmacy Detail File. Data has not been accurate since the PharmaCorr IT conversion to Frameworks. b. Claims Detail File. Data in this monthly file has not been accurate. A \$10,000 service level agreement credit is assessed monthly. c. Lab Pricing. Data related to lab pricing does not allow the State to validate pricing matches Corizon's bid.	CAP issued October 5, 2017.	Open. Pharmacy and claims detail files have been resolved. MDOC is still waiting for lab pricing from Corizon's subcontractor.
5	Pharmacy	Many medications are on backorder following the switch to the Oklahoma Pharmacy.	Meeting minutes.	Open. Issue addressed during bi-weekly calls, pharmacy contract meetings, and Pain & Therapeutics (P&T) meetings.
6	Pharmacy	Corizon must negotiate pharmaceutical pricing with local back-up pharmacies to not exceed 150% of mail order rates. MDOC's third-party reviewer determined that rates exceeded this percentage.	Third-Party Review Report and financial contract meeting minutes.	Open. Corizon has shared the cost of the fees for local pharmacy network utilization. MDOC has completed an initial review and has determined the issue remains open.
7	IT	In the last year of the contract, there have been several issues related to IT. Many of these occurred once Corizon	Issues identified in August 2018 when pharmacy transition occurred. Issues discussed during biweekly pharmacy calls.	Open. Currently all accounts are functional while Corizon finalizes an automated process. Corizon is

Corizon Health, Inc.

Page 5

May 30, 2019

		downsized and outsourced some of these functions. Issues include but aren't limited to: (a) PharmaCorr closes MDOC IT tickets before resolution, and response time is slow; and (b) Medroom accounts that are needed by MDOC to do work related to processing medications expired in January and were not automatically updated. Staff came into work and had no access to these accounts. They had to call and have them reset.		working on a creating a group approval process.
8	Health Care	Scabies identification, treatment, training deficiencies.	Vendor Performance issued March 6, 2019 for deficiencies identified at DWHC and on March 6, 2019 for deficiencies identified at WHV.	Open. See above.
9	Financial	Contractor has failed to pay subcontractors within the 45-day State of Michigan payment time frame, per Section 1.0 of the contract and Standard Contract Term #20.	Vendor Performance issued March 6, 2019.	Open. This is monitored monthly and discussed at the financial contract meetings.
10	Mental Health/Health Care	Psychiatric and healthcare coverage at WCC is insufficient.	CAP issued March 6, 2019,	Open. This is monitored weekly and discussed at monthly contract meetings.

Mr. Brandon Samuel
March 8, 2021
Page 19

27. Schedule A – SOW, Section 3.0 Staffing: Bidder proposed candidate for the SUD Director does not have relevant experience or credentials.

Corizon Health proposed both Dr. Danielle Bradshaw and Dr. Patricia Schmidt, indicating that they would be appropriately credentialed for the SUD Director role at the start of the new contract. (Note, the table in this section 3.0 staffing did not allow for any narrative to explain this, however, an explanation was provided on page 19 of our response (as shown below)).

**Pg. 19 1.0.A Collaborative Model
Identification of a Substance Use Disorders Director**

In accordance with the RFP's Key Personnel requirement, Corizon Health recognizes the MDOC's desire to have a Substance Use Disorder Director to provide clinical management and oversight of substance use disorders treatment and prevention. We also understand that the individual proposed can be the Medical Director or the Psychiatric Director. It is our intention under the new contract to have both our State Medical Director, Patricia Schmidt, DO, FACOI and our Regional Psychiatric Director, Danielle Bradshaw, DO serve in this position. We believe that their experience with the MDOC population, combined with their knowledge of the integrated care program and MDOC protocols, will allow for a seamless transition into this role without providing any disruption to patient care.

Corizon Health will assume the responsibility of ensuring that Dr. Schmidt and Dr. Bradshaw are appropriately credentialed for the responsibilities of this position at the start of the new contract. Additionally, Dr. Ravi Yarid, one of our Michigan providers and MAT Champion, is addiction-trained.

IV. Request for Relief.

For the foregoing reasons, we respectfully submit that DTMB erred by making an Award Recommendation to GPHS because GPHS is an unexperienced provider without the legal capacity to provide the non-medical services required by the contract. Additionally, DTMB improperly deducted points from Corizon Health's application, as described more fully above. Accordingly, we respectfully request that:

1. DTMB withdraw its Recommendation of Award to GPHS;
2. DTMB deem GPHS a non-responsible and non-responsive bidder, which is ineligible for the RFP Award;

Exhibit C:

April 2 Supplemental



Peter B. Ruddell
Office: 517.377.0711
pruddell@honigman.com

***Via E-Mail
AmbrosierJ@michigan.gov
BidProtest-DTMB@michigan.gov***

April 2, 2021

Mr. Jared Ambrosier
Interim Chief Procurement Officer
DTMB Procurement
P.O. Box 30026
Lansing, MI 48913

Re: Protest of Request for Proposal ("RFP") #200000002287

Dear Mr. Ambrosier:

Thank you for your April 1, 2021 letter responding to the bid protest we submitted on behalf of Corizon Health, Inc. ("Corizon Health"), regarding DTMB's recommendation to award the contract for prisoner health care and pharmacy services to Grand Prairie Healthcare Services, P.C. ("GPHS"). We are disappointed with your response and fundamentally disagree with every position taken in your letter. But we will not belabor each of our disagreements here. Instead, we write to highlight additional issues we believe require the State's careful consideration.

Corizon Health has held the contract for prisoner health care and pharmacy services for over a decade and is well aware of the extensive costs required to perform the contract. In addition to Corizon Health and GPHS, only two bidders passed DTMB's technical evaluation: Centurion of Michigan, LLC ("Centurion"), and Wexford Health Sources, Inc. ("Wexford"). Both of their proposals would have cost the State approximately \$80–100 million more than Corizon Health's bid. But GPHS underbid Corizon Health by approximately \$60 million. The State should ask itself: how did GPHS achieve such a low bid?

We believe two factors were crucial. *First*, Corizon Health recently learned that GPHS plans to dramatically reduce the staffing for prisoner health care.¹ Compared to

¹ Corizon Health only recently obtained this information due to DTMB's delayed response to our request

Mr. Jared Ambrosier

April 2, 2021

Page 2

Corizon Health's proposal, GPHS has offered the State **16% fewer physicians, 14% fewer mid-level practitioners**, and **29% fewer psychiatrists**. GPHS has also shifted the distribution of mental health care from licensed psychiatrists to mid-level providers. Only 30% of mental health services would be performed by mid-level providers under Corizon Health's proposal. Under GPHS's proposal, that number skyrockets to **69%**.

Now is not the time to slash the number of health care providers offering treatment to prisoners. As the State is well aware, prisoners are among the populations most vulnerable to COVID-19, which has infected more than 26,000 Michigan inmates and killed 139 Michigan prisoners since March 2020.² And just as alarming as the physical risks of the pandemic are the mental health risks it poses—which loom especially large among prison populations.³ These challenges do not reduce the cost to prison health care providers. Instead, the cost of providing health care has increased dramatically during the COVID-19 pandemic.

Corizon Health, Centurion, and Wexford's proposals each offered considerably more extensive staff resources to the State's prison population than GPHS's proposal. And yet, DTMB inexplicably awarded GPHS's staffing plan a whopping score of 36/38. The only other bidder to match that score was Wexford, which submitted a bid that was nearly \$150 million more expensive than GPHS's bid.

There is absolutely no way to justify awarding a score of 36/38 to a bidder who proposes to slash overall staffing—during a pandemic—with particularly dramatic cuts to mental health services. GPHS's staffing plan in no way should have been considered **a positive** in determining whether GPHS provided “the best value to the State”—which, surely, includes the State's incarcerated residents.

Second, as explained at length in our protest, GPHS—and its subcontractor, Wellpath, LLC (“Wellpath”)—fundamentally altered the liability structure of the contract. Rather than having a well-capitalized entity with the ability to perform the

under the Freedom of Information Act (“FOIA”). We understand that DTMB has taken the position that bidders have no right to supplement a bid protest based on late-received FOIA documents. But we cannot fathom why the State would want to ignore pertinent information and make the government's decision to enter into a \$600 million contract anything other than fully transparent.

² MDOC, *Response and Information on coronavirus (COVID-19)*, <https://medium.com/@MichiganDOC/mdoc-takes-steps-to-prevent-spread-of-coronavirus-covid-19-250f43144337> (accessed April 2, 2021).

³ See, e.g., Conor Burke-Smith, *Incarceration During the COVID-19 Pandemic, a Potential Mental Health Crisis*, American Medical Student Association, <https://www.amsa.org/2020/07/29/incarceration-during-the-covid-19-pandemic-a-potential-mental-health-crisis/> (accessed April 2, 2021).

Mr. Jared Ambrosier
April 2, 2021
Page 3

required services enter into a contractual relationship with the State, Wellpath hid behind a non-responsible bidder and shielded itself from the liability risks that come with being the primary bidder. DTMB has dismissed this as a “largely semantic” matter and chosen to rely on unspecified financial “assurances” that have not been produced in response to our FOIA request. But entering into a contract with a non-responsible company is no trivial matter. It violates the terms of the RFP and DTMB’s own procurement policies. And it creates both a substantial liability advantage to Wellpath, and a corresponding risk to the State.

Third, it is unclear what it means to be a “nominal bidder.” Is this a new category of bidders? Is there a change in the RFP and Procurement Manual allowing DTMB to award a contract to an entity relying exclusively on the work of its subcontractors?

We are disappointed that DTMB has declined to meaningfully engage with these issues, and has instead decided to attack Corizon Health based on issues that were remedied to the Michigan Department of Correction’s satisfaction years ago.

We respectfully submit that awarding a \$600 million contract to a non-responsible bidder who proposes to dramatically reduce the number of mental health practitioners in the State’s prisons fails to provide the best value to the State of Michigan.

Very truly yours,

HONIGMAN LLP



Peter B. Ruddell

cc: Mr. Brom Stibitz
Ms. Bree Anderson
Ms. Michelle Lange
Mr. Brandon Samuel
Mr. William Camp

Exhibit D:

April 9 Request for Declaratory Ruling

HONIGMAN[®]

Peter B. Ruddell
Office: 517.377.0711
pruddell@honigman.com

Via U.S. Mail
Via E-Mail

April 9, 2021

Ms. Linda Clegg
Administrator and Director
Corporations, Securities and Commercial
Licensing Bureau
Michigan Dept. of Licensing and Regulatory
Affairs
P.O. Box 30018
Lansing, MI 48909

Re: Request for Declaratory Ruling

Dear Ms. Clegg:

Attached please find a request for a declaratory ruling. This is being sent both by email and by U.S. Mail.

Should you have any questions or concerns, please do not hesitate to contact me.

Very truly yours,

HONIGMAN LLP



Peter B. Ruddell

Attachment

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
CORPORATIONS DIVISION
REQUEST FOR DECLARATORY RULING

Pursuant to Section 63 of the Administrative Procedures Act, MCL 24.263, and R 338.81 of the Michigan Administrative Code, Corizon Health, Inc., Quality Correctional Care of Michigan, P.C., and Dr. Patricia Schmidt, D.O. request a declaratory ruling from the Department of Licensing and Regulatory Affairs (“LARA”) stating that the limited purposes included in its Certificate of Authority to Transact Business or Conduct Affairs in Michigan filed on February 26, 2015 preclude Grand Prairie Healthcare Services, P.C. (“GPHS”) from performing any non-medical services, such as those described in the Statement of Facts (below). As discussed below, Michigan law only allows foreign corporations to transact business authorized in their certificate of authority, and the Services do not constitute “medical services,” which are the only services GPHS is authorized to provide in Michigan.

I. ISSUE

Can GPHS provide the Services under its Certificate of Authority, which limits GPHS to providing “medical services”?

II. LAWS/RULES/ORDERS

MCL 450.2002 states:

A foreign corporation that receives a certificate of authority under this act, until a certificate of revocation or of withdrawal is issued under this act, has the same rights and privileges as a domestic corporation organized for the purposes set forth in the application pursuant to which the certificate of authority is issued. Except as otherwise provided in this act, the corporation is subject to the same duties, restrictions, penalties, and liabilities of a similar domestic corporation.

Further MCL 450.2003–04 provides that:

A foreign corporation which transacts business in this state without a certificate of authority under this act is subject to the same duties, restrictions, penalties and liabilities now or hereafter imposed upon a foreign corporation which receives such certificate of authority, in addition to any other penalty or liability imposed by law. A foreign corporation shall not transact business in this state until it has procured a certificate of authority to transact business from the administrator. A foreign corporation may be authorized to transact business in this state that may be transacted lawfully in this state by a domestic corporation, to the extent that it is authorized to transact that business in the jurisdiction where it is organized, *but no other business*. (emphasis added)

III. STANDING

Corizon Health, Inc., Quality Correctional Care of Michigan, P.C., and Dr. Patricia Schmidt, D.O., individually and collectively, have standing to request a declaratory ruling as an “interested person” under MCL 24.263.¹

Corizon Health, Inc. and Quality Correctional Care are providers of health care services – primarily for corrections facilities – state and federal prisons as well as county jails. Corizon Health, Inc. currently holds contracts with state and local governments related to the provision of health care services to incarcerated populations and has an affected interest in ensuring GPHS complies with state and federal laws. The declaratory ruling will directly affect the manner in which Corizon Health, Inc. organizes its current and future business practices.

Quality Correctional Care of Michigan, P.C. is a Michigan professional corporation formed to provide health and medical services. The declaratory ruling will affect the manner in which Quality Correctional Care of Michigan, P.C. organizes its current and future business practices.

Dr. Patricia Schmidt, D.O. is a physician licensed to practice in the State of Michigan and is a shareholder of Quality Correctional Care of Michigan, P.C. The declaratory ruling will directly affect the manner in which she organizes her current and future business practices.

¹ See *Forner v LARA*, No. 345617, 2019 WL 3941453, at *4 (Mich Ct App Aug 20, 2019)

IV. STATEMENT OF FACTS

GPHS is an Indiana professional corporation formed to provide medical services. GPHS properly filed its Application Certificate of Authority to Transact Business or Conduct Affairs in Michigan on February 26, 2015. GPHS is proposing to provide non-medical services within the State of Michigan. Such non-medical services (“the Services”) include but are not limited to: (1) utilization review of outside medical care; (2) claim processing; (3) pharmacy staffing; (4) dental staffing; (5) day-to-day management of non-medical operations; (6) establishing an off-site network of specialty services; and (7) providing training to correctional officers.

V. ANALYSIS AND CONCLUSIONS

GPHS cannot provide the Services because it lacks the legal ability to perform any activities that are not “medical services” under its Certificate of Authority and Michigan Law. GPHS is only authorized to transact business as a foreign corporation in Michigan that provides medical services. Additionally, GPHS is incorporated as an Indiana professional corporation only authorized to provide professional medical services. Under Michigan Law, foreign corporations can only transact business that they are authorized to do so in their state of incorporation. Because GPHS is not authorized to provide services other than medical services in Indiana, it cannot file an amended certificate of authority in Michigan to broaden the scope of the business that it transacts. Therefore, we request a declaratory ruling that GPHS cannot transact any business that is not authorized in its certificate of authority, including providing the Services.

A. Authority in the State of Incorporation

GPHS is an Indiana professional corporation formed to provide medical services. Under Indiana law, while corporations may generally incorporate to engage in any lawful business, corporations engaging in businesses subject to regulation, such as medicine, must incorporate

under the applicable laws addressing incorporation of that business.² And corporations subject to the professional corporation requirements may only operate in accordance with their limited professional purposes.

GPHS's Articles of Incorporation, attached as Exhibit A,³ include a Certificate of Registration from the Indiana Professional Licensing Agency certifying that the Indiana Medical Licensing Board found that GPHS's officer and directors are appropriately licensed by the medical board to organize a corporation that provides medical services. Accordingly, GPHS's permissible purposes under Indiana law are only to provide professional services that may be legally performed by an individual licensed by the Medical Licensing Board.

LARA cannot permit a foreign professional corporation, such as GPHS, to provide services that are beyond those permitted by the entity's state of formation, which in the case of GPHS is Indiana. Since GPHS cannot provide non-medical services in Indiana, it cannot do so in Michigan.

B. Authority under Michigan Law

In order to transact business in Michigan, GPHS registered as a foreign corporation indicating in its Certificate of Authority that the specific and only business to be conducted in Michigan is the provision of "medical services."⁴ This is consistent with Michigan law which limits the business activities of professional corporations. Specifically, Michigan law provides that "[a] professional corporation shall not engage in any business other than providing the professional service or services for which it was specifically incorporated."⁵ Further, Michigan

² IC 23-1-22-1(b).

³ Dated November 18, 2014 and on file with the state of Indiana.

⁴ Application Certificate of Authority to Transaction Business or Conduct Affairs in Michigan, dated February 26, 2015 and is attached as Exhibit B.

⁵ MCL 450.1287(1).

law only permits corporations to “[h]ave and exercise all powers necessary or convenient to effect any purpose for which the corporation is formed.”⁶

Because Michigan law limits the rights and duties of foreign corporations to those of “similar” Michigan corporations and prohibits foreign corporations from transacting business outside of their certificate of authority, as a foreign professional corporation only authorized to provide medical services, GPHS is not authorized to provide non-medical services in Michigan.

C. Use of Subcontractors

A corporation cannot disavow or otherwise avoid the limitations established through its articles of incorporation and the laws of the states of Indiana and Michigan through the use of subcontractors. The corporation cannot agree to transact business through the use of third parties, that business which it cannot conduct directly. While the use of subcontractors is allowed under the laws of Indiana and Michigan, the use must be within the scope of authority of the corporation—in this case, medical services. A corporation can use vendors to provide services to the corporation to support its own permissible operations—such as legal or accounting services. But what is being asked through this request for a declaratory ruling, is whether a corporation can use third party vendors or subcontractors to provide services to that corporation’s customers that are beyond that corporation’s authority to transact business and therefore that the corporation is itself barred from providing.

VI. CONCLUSION

We respectfully request that LARA issue a declaratory ruling finding that GPHS cannot transact business, either directly or through its subcontractors, beyond what is authorized in its certificate of authority, including all non-medical services such as the Services, nor can GPHS

⁶ MCL 450.1261(q).

transact business as a foreign corporation in Michigan beyond the scope of its authority under Indiana law, the state of its incorporation.

VII. CERTIFICATION

I hereby certify the existence of the actual state of facts set forth and the submission of all relevant facts known to me:

Respectfully submitted,

HONIGMAN LLP

*Attorneys for Corizon Health, Inc., Quality
Correctional Care of Michigan, P.C., and
Dr. Patricia Schmidt, D.O.*



Dated: April 9, 2021

Peter B. Ruddell (P63253)

PRuddell@honigman.com

222 North Washington Square

Suite 400

Lansing, MI 48933-1800

Tel: (517) 377-0711

Exhibit A

CSCL/CD-560 (Rev. 01/14)

MICHIGAN DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU										
Date Received	(FOR BUREAU USE ONLY) <i>600 rec'd</i>									
This document is effective on the date filed, unless a subsequent effective date within 90 days after received date is stated in the document.										
<table border="1"> <tr> <td colspan="3">Name Braden Smith</td> </tr> <tr> <td colspan="3">Address 140 Grand Street, Suite 300</td> </tr> <tr> <td>City White Plains, NY 10601</td> <td>State</td> <td>ZIP Code</td> </tr> </table>		Name Braden Smith			Address 140 Grand Street, Suite 300			City White Plains, NY 10601	State	ZIP Code
Name Braden Smith										
Address 140 Grand Street, Suite 300										
City White Plains, NY 10601	State	ZIP Code								

FILED
FEB 26 2015
ADMINISTRATOR
CORPORATIONS DIVISION
EFFECTIVE DATE:

Document will be returned to the name and address you enter above.
If left blank, document will be returned to the registered office.

60752Q

APPLICATION FOR CERTIFICATE OF AUTHORITY TO TRANSACT BUSINESS OR CONDUCT AFFAIRS IN MICHIGAN

For use by Foreign Corporations

(Please read information and instructions on the last page)

Pursuant to the provisions of Act 284, Public Acts of 1972 (profit corporations), or Act 162, Public Acts of 1982 (nonprofit corporations), the undersigned execute the following Application:

1. The name of the corporation is:

Grand Prairie Healthcare Services, P.C.

2. (Complete this item only if the corporate name in item 1 is not available for use in Michigan.)

The assumed name of the corporation to be used in all its dealings with the Bureau and in the transaction of its business or conducting of its affairs in Michigan is:

3. It is incorporated under the laws of Indiana. The date of its incorporation is 11/18/2014, and the term of existence if other than perpetual is _____.

4. a. The address of the main business or headquarters office of the corporation is:

1283 Murfreesboro Pike, Ste. 500, Nashville, TN 37217

(Street Address)

(City)

(State)

(ZIP Code)

b. The mailing address if different than above:

(Street Address)

(City)

(State)

(ZIP Code)

5. The street address of its registered office in Michigan is:

30600 Telegraph Road, Suite 2345 Bingham Farms, Michigan 48205-5720
(Street Address) (City) (ZIP Code)

The mailing address of the registered office in Michigan if different than above:

_____, Michigan _____
(Street Address or P.O. Box) (City) (ZIP Code)

The name of the resident agent at the registered office is: Business Filings Incorporated

The resident agent is an agent of the corporation upon whom process against the corporation may be served.

6. The specific business or affairs which the corporation is to transact or conduct in Michigan is as follows:

Provide medical services.

All shareholders are duly licensed in Michigan or otherwise legally authorized to render one or more of the professional services for which the corporation is organized.

The corporation is authorized to transact such business in the jurisdiction of its incorporation.

7. (To be completed by profit corporations only)

The total authorized shares of the corporation are: 1,000

8. If the applicant is a trust please specify any powers or privileges possessed by the trust that are not possessed by an individual or a partnership.

Signed this 9th day of January, 2015

By Cassandra L Newkirk
(Signature of Authorized Officer or Agent)

Cassandra Newkirk

(Type of Print Name)

STATE OF INDIANA
OFFICE OF THE SECRETARY OF STATE
CERTIFICATE OF EXISTENCE

To Whom These Presents Come, Greetings:

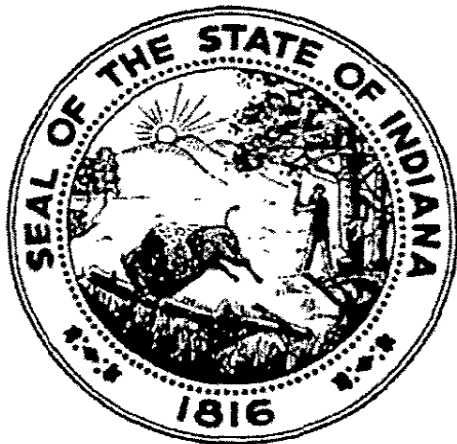
I, Connie Lawson, Secretary of State of Indiana, do hereby certify that I am, by virtue of the laws of the State of Indiana, the custodian of the corporate records, and proper official to execute this certificate.

I further certify that records of this office disclose that

GRAND PRAIRIE HEALTHCARE SERVICES, P.C.

duly filed the requisite documents to commence business activities under the laws of State of Indiana on November 18, 2014, and was in existence or authorized to transact business in the State of Indiana on January 21, 2015.

I further certify this Domestic Professional Corporation has filed its most recent report required by Indiana law with the Secretary of State, or is not yet required to file such report, and that no notice of withdrawal, dissolution or expiration has been filed or taken place.



In Witness Whereof, I have hereunto set my hand and affixed the seal of the State of Indiana, at the city of Indianapolis, this Twenty-First Day of January, 2015.

Connie Lawson

Connie Lawson, Secretary of State

2014111900807 / 2015012100158

Exhibit B

April 13, 2021 No. 106



ARTICLES OF INCORPORATION
State Form 4159 (R16 / 5-14)
Approved by State Board of Accounts 2/14

APPROVED
AND
FILED

Connie Lawson
IND SECRETARY OF STATE

RECEIVED
14 NOV 18 AM 11:08
CONNIE LAWSON
SECRETARY OF STATE
BUSINESS SERVICES DIVISION
302 W. Washington Street, E018
Indianapolis, IN 46204
Telephone (317) 232-6576

INSTRUCTIONS

1. Use 8 1/2" x 11" white paper for attachment.
2. Present original and one copy of this form in upper right corner of this form.
3. Please TYPE or PRINT in INK.
4. Please visit our office at www.sos.in.gov.
5. Make check or money order payable to Secretary of State

Indiana Code 23-1-21-2

FILING FEE: \$90.00

ARTICLES OF INCORPORATION

The undersigned, desiring to form a Corporation (hereinafter referred to as "Corporation") pursuant to the provisions of:

☐ Indiana Business Corporation Law

☒ Indiana Professional Corporation Act 1983, Indiana Code 23-1-5-1-1 et seq (Must include a Certificate of Registration.)

As amended, executes the following Articles of Incorporation:

ARTICLE I - NAME AND PRINCIPAL OFFICE

Name of Corporation (The name must include the word Corporation, Incorporated, Limited, Company or an abbreviation thereof.)

Grand Prairie Healthcare Services, P.C.

Address of Principal Office (number and street)

1283 Murfreesboro Road, Suite 500

City

Nashville

State

TN

ZIP code

37217

ARTICLE II - REGISTERED OFFICE AND AGENT

Registered Agent: The name and street address of the Corporation's Registered Agent and Registered Office for service of process are:

Name of Registered Agent (Cannot be the corporation itself)

Business Filings Incorporated

Address of Registered Office (number and street) (PO Box not accepted)

150 West Market Street, Suite 800

City

Indianapolis

State

IN

ZIP code

46204

Required:

- ☒ By checking the box, the Signator(s) represents that the registered agent named in the application has consented to the appointment of registered agent.

ARTICLE III - AUTHORIZED SHARES

Number of shares the Corporation is authorized to issue: 1,000

If there is more than one class of shares, shares with rights and preferences, list such information as "Exhibit A"

**ARTICLE IV - INCORPORATORS
(INCORPORATORS MAY NEVER BE AMENDED)**

NAME	NUMBER AND STREET OR BUILDING	CITY	STATE	ZIP CODE
Cassandra F. Newkirk	1283 Murfreesboro Road, Suite 500	Nashville	TN	37217

In Witness Whereof, the undersigned being all the incorporators of said Corporation sign these Articles of Incorporation and verify, subject to penalties of perjury, that the statements contained herein are true.

this 7th day of November 20 14

Signature of incorporator <i>Cassandra F. Newkirk</i>	Printed name Cassandra F. Newkirk
Signature of incorporator	Printed name
Signature of incorporator	Printed name

This instrument was prepared by (name)

Kathy Powell

Address (number and street, city, state, and ZIP code)

1283 Murfreesboro Road, Suite 500, Nashville, TN 37217

Professional Licensing Agency
402 West Washington Street
Room W072
Indianapolis, Indiana 46204



Michael R. Pence
Governor of Indiana
Nicholas W. Rhoad
IPLA Executive Director
14 NOV 18 AM 11:05

November 13, 2014

Grand Prairie Healthcare Services, P.C.*
1283 Murfreesboro Road, Ste 500
Nashville TN 37217

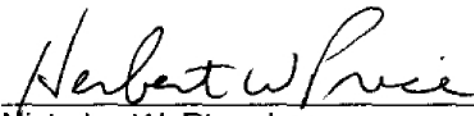
CERTIFICATE OF REGISTRATION

The Indiana Professional Licensing Agency received an application for a certificate of registration from the proposed corporation **Grand Prairie Healthcare Services, P.C.***.

In accordance with I.C.23-1.5-2-9 (c), the Medical Licensing Board reviewed the application and found that the directors and shareholders of the proposed corporation are properly licensed in compliance with the statute and regulations of the licensing authority and that the corporation will be organized in compliance with the statute and regulations of the licensing authority.

The Medical Licensing Board certified those facts to the agency and requested that a certificate of registration be issued.

Grand Prairie Healthcare Services, P.C.* has remitted \$ 25.00 to the Indiana Professional Licensing Agency according to I.C. 23-1.5-2-9 (c) (2). The Indiana Professional Licensing Agency has issued this certificate of registration to the proposed corporation Grand Prairie Healthcare Services, P.C.*, and certifies that it has complied with I.C.23-1.5-2-9 (b) and (c).


for
Nicholas W. Rhoad
Executive Director
Indiana Professional Licensing Agency

Indiana Secretary of State
Packet: 2014111900807
Filing Date: 11/18/2014
Effective Date: 11/18/2014

State of Indiana
Office of the Secretary of State

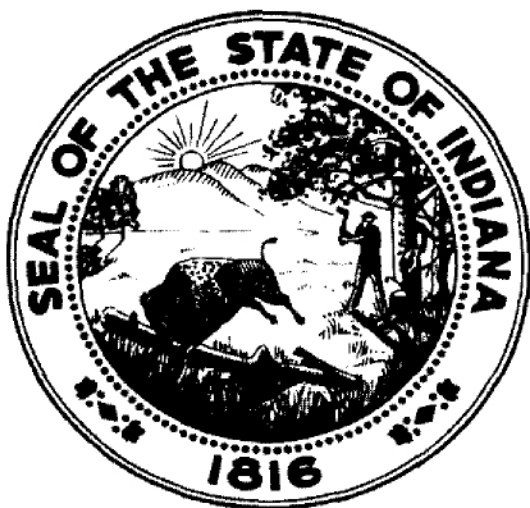
CERTIFICATE OF INCORPORATION

of

GRAND PRAIRIE HEALTHCARE SERVICES, P.C.

I, CONNIE LAWSON, Secretary of State of Indiana, hereby certify that Articles of Incorporation of the above Domestic Professional Corporation have been presented to me at my office, accompanied by the fees prescribed by law and that the documentation presented conforms to law as prescribed by the provisions of the Indiana Professional Corporation Act of 1983.

NOW, THEREFORE, with this document I certify that said transaction will become effective Tuesday, November 18, 2014.



In Witness Whereof, I have caused to be affixed my signature and the seal of the State of Indiana, at the City of Indianapolis, November 18, 2014.

Connie Lawson

CONNIE LAWSON,
SECRETARY OF STATE

2014111900807 / 2014111981706