

#8 Stonecrest Drive  
Huntington WV 25701

# HAYFLICH & STEINBERG

*Certified Public Accountants*

An Independent Member of the BDO Seidman Alliance

Phone: (304) 697-5700

Fax: (304) 697-5704

www.hayflich.net

June 26, 2008

50+ Years  
of Excellence  
★ ★ ★ ★ ★

Roberta Wagner  
Department of Administration  
Purchasing Division  
2019 Washington Street, East  
Charleston, WV 25311

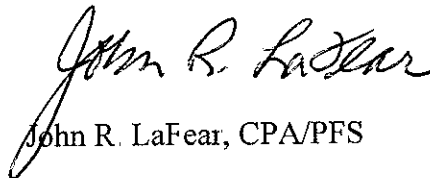
Dear Ms. Wagner:

Enclosed are two copies of our proposal for providing accounting and financial management services to Mildred Mitchell-Bateman Hospital, William R. Sharpe, Jr Hospital, and Welch Community Hospital within the West Virginia Department of Health and Human Resources, Bureau for Behavioral Health and Health Facilities. Our proposal illustrates our qualifications, highlights our desire to work with the Bureau for Behavioral Health and Health Facilities, and allows for the professional time required to assist the Bureau for Behavioral Health and Health Facilities in achieving its goals

Should you have any questions regarding our proposal, please contact Rick Eskins or me at 697-5700.

Thank you for the opportunity to propose our services to your organization

Sincerely yours,  
HAYFLICH & STEINBERG, CPA's, PLLC

  
John R. LaFear, CPA/PFS

Enclosures

**GENERAL TERMS & CONDITIONS  
REQUEST FOR QUOTATION (RFQ) AND REQUEST FOR PROPOSAL (RFP)**

1. Awards will be made in the best interest of the State of West Virginia.
2. The State may accept or reject in part, or in whole, any bid.
3. All quotations are governed by the *West Virginia Code* and the *Legislative Rules* of the Purchasing Division.
4. Prior to any award, the apparent successful vendor must be properly registered with the Purchasing Division and have paid the required \$125.00 registration fee.
5. All services performed or goods delivered under State Purchase Orders/Contracts are to be continued for the term of the Purchase Order/Contract, contingent upon funds being appropriated by the Legislature or otherwise being made available. In the event funds are not appropriated or otherwise available for these services or goods, this Purchase Order/Contract becomes void and of no effect after June 30.
6. Payment may only be made after the delivery and acceptance of goods or services.
7. Interest may be paid for late payment in accordance with the *West Virginia Code*.
8. Vendor preference will be granted upon written request in accordance with the *West Virginia Code*.
9. The State of West Virginia is exempt from federal and state taxes and will not pay or reimburse such taxes.
10. The Director of Purchasing may cancel any Purchase Order/Contract upon 30 days written notice to the seller.
11. The laws of the State of West Virginia and the *Legislative Rules* of the Purchasing Division shall govern all rights and duties under the Contract, including without limitation the validity of this Purchase Order/Contract.
12. Any reference to automatic renewal is hereby deleted. The Contract may be renewed only upon mutual written agreement of the parties.
13. **BANKRUPTCY:** In the event the vendor/contractor files for bankruptcy protection, this Contract may be deemed null and void, and terminated without further order.
14. **HIPAA Business Associate Addendum** - The West Virginia State Government HIPAA Business Associate Addendum (BAA), approved by the Attorney General, and available online at the Purchasing Division's web site (<http://www.state.wv.us/admin/purchase/vrc/hipaa.htm>) is hereby made part of the agreement. Provided that, the Agency meets the definition of a Covered Entity (45 CFR §160.103) and will be disclosing Protected Health Information (45 CFR §160.103) to the vendor.

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**INSTRUCTIONS TO BIDDERS**

1. Use the quotation forms provided by the Purchasing Division.
2. **SPECIFICATIONS:** Items offered must be in compliance with the specifications. Any deviation from the specifications must be clearly indicated by the bidder. Alternates offered by the bidder as **EQUAL** to the specifications must be clearly defined. A bidder offering an alternate should attach complete specifications and literature to the bid. The Purchasing Division may waive minor deviations to specifications.
3. Complete all sections of the quotation form.
4. Unit prices shall prevail in cases of discrepancy.
5. All quotations are considered F.O.B. destination unless alternate shipping terms are clearly identified in the quotation.
6. **BID SUBMISSION:** All quotations must be delivered by the bidder to the office listed below prior to the date and time of the bid opening. Failure of the bidder to deliver the quotations on time will result in bid disqualifications.

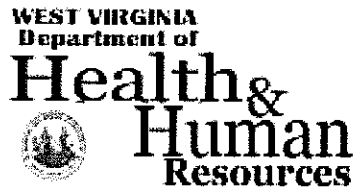
**SIGNED BID TO:**

Department of Administration  
Purchasing Division  
2019 Washington Street East  
Post Office Box 50130  
Charleston, WV 25305-0130

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**“To Excel in Helping You Achieve Success”**

**A PROPOSAL TO PROVIDE PROFESSIONAL  
SERVICES TO**



**BUREAU FOR BEHAVIORAL HEALTH  
AND HEALTH FACILITIES**

**Proposal in Response to RFQ Number BHS90017**

**Bid Opening Date: June 26, 2008**

**Bid Opening Time: 1:30 pm**

**Date Submitted: June 26, 2008**

**HAYFLICH & STEINBERG, CPA's, PLLC**

**#8 Stonecrest Drive**

**Huntington, WV 25701**

**(304) 697-5700**

**DENNIS F. ASHWORTH, JR., CPA, PARTNER**

**[dennisa@hayflich.net](mailto:dennisa@hayflich.net)**

**RICHARD A. ESKINS, CPA, CVA, FHFMA**

**[eskins@hayflich.net](mailto:eskins@hayflich.net)**

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2008 JUN 26 A 9:05

STATE DIVISION  
STATE OF WV

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## **Our Understanding of the Services Requested**

Thank you for considering HAYFLICH & STEINBERG, CPA'S, PLLC for your request for proposal for the future professional accounting and financial management services for the State of West Virginia Bureau for Behavioral Health and Health Facilities (Bureau). The following information will set forth our understanding of the services requested and our commitment to performing the work in a timely fashion.

### **Services Requested:**

Accounting and financial management services to Mildred Mitchell-Bateman Hospital, William R. Sharpe, Jr. Hospital, and Welch Community Hospital within the Bureau in accordance with the Request for Proposal Quotation (RFQ) #BHS90017.

### **Services to be provided in Request for Proposal:**

HAYFLICH & STEINBERG's goal is to provide the Bureau with quality accounting services that meet your specific needs. The following points represent our plan for meeting these specifications, as outlined in the request for proposal:

- Provide ongoing consulting to the Hospitals related to their accounting functions involving monthly, quarterly, and yearly analysis of financial statements, general ledger, and supporting subsidiary ledgers as requested by the Bureau and/or Facility's Chief Financial Officer (CFO). This will also include reviews of any required file conversions to ensure detail is correct due to the Bureau switching to a GL system utilizing Keane Systems.
- Assist hospital business office and accounting personnel to develop the data necessary for the vendor to complete Federal and State regulatory reports.
- Provide technical support in the billing and collection process as requested by the CFO and recommend improvements as applicable.
- Provide a financial records review to the CFO as requested, which will be at least on a quarterly basis.
- Provide reimbursement regulation research and respond to the CFO as requested.
- Prepare all Medicare (HCFA 2552) Cost Reports, Provider Cost Report Reimbursement Questionnaires (HCFA 339) and supporting documentation, which are due during the contract period. These reports are to be submitted prior to the deadline established by the HCA.

- Prepare all Health Care Authority (HCA) Reports which are due during the contract period. These reports to be submitted prior to the deadline established by the HCA.
- Review and update fee schedules throughout the contract period as requested by the CFO, which will be at least quarterly.
- Prepare all disproportionate share calculations as requested by the CFO, which shall be at least once a year.
- Recommend improvements in cost reimbursement to gain consistency among the facilities; review revenue opportunities – more focus on revenue cycle process and review.

### **Timely Fashion:**

HAYFLICH & STEINBERG is committed to performing our work efficiently, meeting the reporting and filing deadlines of the Bureau.

## **Firm Qualifications and Experience**

Founded in 1952, HAYFLICH & STEINBERG, CPA's, PLLC, is a full-service regional accounting firm located in Huntington, West Virginia. Our clients conduct business nationwide and internationally. They range in size from small business to multi-billion dollar enterprises and are located in West Virginia, Ohio, Kentucky, Maryland, Virginia, North Carolina, Tennessee, Pennsylvania, Indiana, Arizona, Texas, Florida, and Washington D.C.

We are organized departmentally making the highly specialized abilities of the firm's members available to all clientele. Considering the complexity of business today, a blend of several specialists is often required to handle an engagement properly. The professionals we commit to an engagement not only have the necessary training and experience, but also a results-oriented attitude. Accordingly, the members and staff of HAYFLICH & STEINBERG have had the requisite experience levels as stated in the RFQ:

- At least 5 years healthcare consulting experience.
- At least 3 years experience in 339 reporting.
- At least 5 years experience in Health Care Authority (HCA) reporting, including quarterly CBM-9 reports.
- At least 5 years experience in reimbursement regulation research.
- At least 5 years experience related to rate regulation.

### **Healthcare Assurance, Compliance, and Consulting:**

Healthcare has been a substantial portion of our practice since the founding of the firm. We have worked with the Medicare and Medicaid programs since their inception, developing a tradition of reimbursement expertise that continues today. We have a broad understanding of the auditing,

consulting, and compliance requirements of the healthcare industry. We keep current on the Medicare, Medicaid, and other federal and state legislative issues affecting the healthcare industry. Due to our concentration in the healthcare industry, we maintain a professional staff that specializes in healthcare and governmental issues. Following is a list of the types of services we offer our healthcare clients.

### **Audit and Accounting**

- Audits, reviews, and compilations
- Audits under *Government Auditing Standards*
- Single audits (OMB Circular A-133)
- Financial and operational analysis
- Accounting estimates (bad debts, contractual allowances, third-party payor settlements)
- Medicare fiscal intermediary subcontracting

### **Reimbursement Consulting**

- Medicare and Medicare cost report preparation, including Provider Cost Report Reimbursement Questionnaires (HCFA 339)
- Health Care Reporting, including quarterly CBM-9 reports
- Medical education issues
- Interim rate analysis
- Coordinate and review fiscal intermediary audits
- Appeals to the Provider Reimbursement Review Board
- Cost exceptions
- Wage index reviews
- Geographic reclassification applications
- Regulatory advice
- Analysis and impact studies of new legislation
- Analysis and impact studies of new services and acquisitions
- Compliance support
- Expert testimony

### **Specialized Consulting Services**

- Utilization review (CPT codes)
- Fee schedule development or review
- Physician productivity analysis
- Revenue sharing agreements
- Procedure cost analysis
- Physician bonus methodologies
- Medicare issues (law and regulation research)
- Information Technology advisory services
- Practice valuation services

### **Medical Practice Structure and Governance**

- Accounting systems
- Entity selection
- Employment contracts
- Buy/sell agreements

- Practice sale, merger, acquisition, and liquidation advisory services
- Excess benefit agreements
- Physician/hospital contractual relationships
- Employment related issues and benefit plans

**Strategic Planning and Management Support**

- Forecasts and projections
- Feasibility studies
- Budget assistance
- Long-term financing advice
- Employee benefit plan structure
- Board education
- Litigation support
- Trend analysis

**Tax Services**

- Tax returns
- Informational returns
- Tax exemption issues
- Unrelated business income issues
- Community benefit issues

**Size of Firm:**

Our size is important to our clients for two reasons. The firm is small enough so that our partners can maintain an intimate knowledge of our client's businesses and needs; second, the firm is large enough to have specialists available in the various disciplines of the profession.

As the needs arise, we can draw on the expertise available from BDO Seidman, LLP and our Alliance members to assist with new or unusual issues. This strategic alliance increases the depth and breadth of services and expertise HAYFLICH & STEINBERG offers to our clients.

Our staffing is as follows:

Partners	5
Managers	5
Professional staff	13
Para-professional	2
Office support	<u>5</u>
 <u>Total</u>	 <u>30</u>

**Additional Technical Resources:**

HAYFLICH & STEINBERG, CPA's, PLLC is an independent member of the BDO Seidman Alliance of Accounting Firms. The BDO Seidman Alliance is a nationwide association of independently



owned local and regional accounting, consulting, and service firms with similar client service goals. The Alliance provides an opportunity for HAYFLICH & STEINBERG to expand its client service offerings, by accessing the resources of BDO Seidman, LLP (one of the largest accounting firms in the U.S.) and other Alliance members. Our team of professionals offers the hands-on experience and technical skills required to serve the distinctive needs of the Bureau. Supplementing our exceptional staff with talent from BDO Seidman, LLP and/or the 200+ other independent CPA firm Alliance members, we have capabilities equal to any CPA firm.

We also regularly provide our clients with specific memoranda and other pertinent information to help inform clients of noteworthy issues. At our website, [www.hayflich.net](http://www.hayflich.net), there are many financial tools, as well as tax and audit information available to our clients.

### **Quality Control:**

Our firm is a member of the Private Companies Practice Section of the Division of CPA Firms, an organization that upholds exceptionally high standards for membership and ongoing review requirements. Every three years we undergo a peer review following guidelines issued by the American Institute of Certified Public Accountants Review Team, which study and evaluate our firm's policies and procedures for maintaining quality in accounting and auditing work. We are proud to be one of the firms in this area to have undergone this review since program inception and to have received an unqualified opinion for each review-the highest level possible. Our firm is a member of the AICPA Government Quality Audit Center and the Employee Benefit Plan Audit Quality Center – centers dedicated to enhancing the quality of governmental and employee benefit plan audits by providing its members with timely advice and information.

### **Maintaining Our Expertise:**

All professional personnel are periodically evaluated for technical competence and are tested as to their potential leadership qualities and aptitude. Training is accomplished through outside professional development programs and internal training programs. The active participation of our partners in the planning, review, and problem solving phases of our work enhances on the job training. Recruiting and retention of topflight staff personnel is made easy by knowledge that our staff will be working on a direct inter-relationship basis with our partners.

## **Our Recent Healthcare Experience**

- A&L Home Care & Training Center, LLC, Proctorville, OH - consulting
- Barboursville Internal Medicine, Inc., Barboursville, WV – consulting & tax
- Bluefield Regional Medical Center, Bluefield, WV – audit, consulting & tax
- Bluefield Health Systems, Inc., Bluefield, WV – audit, consulting & tax
- Bluefield Regional Medical Center Foundation, Bluefield, WV – audit, consulting & tax
- Cabell Huntington Hospital, Huntington, WV – consulting & tax
- Community Care, Inc., Bluefield, WV – audit, consulting & tax
- Health Management Nursing Service, Inc., South Point, OH - consulting
- Huntington Cardiothoracic Surgery, Inc., Huntington, WV – consulting & tax

- Huntington Medical Associates, Inc., Huntington, WV – consulting & tax
- Huntington Urological Associates, Inc., Huntington, WV – consulting & tax
- Monroe County Health Center, Union, WV – audit
- Mountain Regional Services, Inc., Huntington, WV – consulting & tax
- Mountaineer Regional Resources, Inc., Bluefield, WV – audit, consulting & tax
- Pretera Center for Mental Health Services, Inc., Huntington, WV – audit & consulting
- Quality Care Nursing Service, Inc., South Point, OH - consulting
- Regional Physician Services, Inc., Bluefield, WV – audit, consulting & tax
- Regional Surgical Services, LLC, Bluefield, VA – audit, consulting & tax
- Sistersville General Hospital, Sistersville, WV – audit & consulting
- St. Mary's Hospital, Huntington, WV – consulting & tax
- Thomas Memorial Hospital, South Charleston, WV – consulting
- Tri-State Cyberknife, LLC, Huntington, WV – review, consulting & tax
- Tri-State Neuroscience Center, Inc., Huntington, WV – consulting & tax
- Valley Health Systems, Inc. & Subsidiaries, Huntington, WV – audit, consulting & tax
  - Fort Gay Primary Health Care, Inc., Fort Gay, WV
  - Grant Medical Center, Inc., Milton, WV
  - Harts Health Clinic, Inc., Harts, WV
  - Upper Kanawha Health Association, Inc., Cedar Grove, WV
  - Wayne Health Services, Inc., Wayne, WV
- Washington Hospital Center, Washington, D.C. – reimbursement consulting

## Recent West Virginia Audits

In the past three years, we have performed 72 audits of West Virginia entities including 14 audits of closely held private companies and 58 audits for the following not-for-profit and governmental entities:

- Bluefield Regional Medical Center, Bluefield, WV
- Bluefield Health Systems, Inc., Bluefield, WV
- Bluefield Regional Medical Center Foundation, Bluefield, WV
- Community Care, Inc., Bluefield, WV
- Monroe County Health Center, Union, WV
- Mountaineer Regional Resources, Inc., Bluefield, WV
- Pretera Center for Mental Health Services, Inc., Huntington, WV
- Regional Physician Services, Inc., Bluefield, WV
- Sistersville General Hospital, Sistersville, WV
- Valley Health Systems, Inc. & Subsidiaries, Huntington, WV
  - Fort Gay Primary Health Care, Inc., Fort Gay, WV
  - Grant Medical Center, Inc., Milton, WV
  - Harts Health Clinic, Inc., Harts, WV
  - Upper Kanawha Health Association, Inc., Cedar Grove, WV
  - Wayne Health Services, Inc., Wayne, WV
- Glenville State College, Glenville, WV
- Marshall University (under contract to Deloitte & Touche), Huntington, WV

- Marshall University Research Corporation (under contract to Deloitte & Touche),  
Huntington, WV
- West Virginia Aeronautics Commission, Charleston, WV
- West Virginia Department of Transportation, Charleston, WV
- West Virginia Division of Highways, Charleston, WV
- West Virginia Division of Motor Vehicles, Charleston, WV
- West Virginia Division of Public Transit, Charleston, WV
- West Virginia Public Port Authority, Charleston, WV
- West Virginia State Rail Authority, Charleston, WV
- West Virginia State University Research & Development Corp., Institute, WV

## West Virginia Healthcare References

### Hospital Audit References

Ms. Lynn Whitteker, CEO  
Bluefield Regional Medical Center, Inc.  
500 Cherry Street  
Bluefield, WV 24701  
(304) 327-1710

Ms. Patricia N. Gusler, CPA, Vice President of Finance/CFO  
Bluefield Regional Medical Center, Inc.  
500 Cherry Street  
Bluefield, WV 24701  
(304) 327-1710

Ms. Lynn L. McCormick, CEO  
Sistersville General Hospital  
314 South Wells Street  
Sistersville, WV 26175  
(304) 447-2500

Mr. Stephen P. Smith, Controller  
Saint Joseph's Hospital  
1824 Murdock Avenue  
Parkersburg, WV 26101  
(304) 424-4297

### Other Healthcare References

Mr. Richard G. Weinberger, CPA, Chief Financial Officer  
Valley Health Systems, Inc.  
2585 Third Avenue  
Huntington, WV 25703  
(304) 525-3334

Ms. Sallie A. Lazaro, Director of Finance  
Prestera Center for Mental Health Services, Inc.  
3375 US Route 60, East  
Huntington, WV 25705  
(304) 399-1114

Mr. David M. Ward, CPA, Senior Vice President  
Cabell Huntington Hospital, Inc.  
1340 Hal Greer Boulevard  
Huntington, WV 25701-0195  
(304) 526-2052

## Your Client Service Team

***Choosing the right professionals to serve you is a critical element of success. In selecting your service team, we carefully review our understanding of your needs, as well as your plans, and identify the people whose credentials are ideal for you.***

We strive to maintain continuity on all engagements so that we maximize our experience with your entity. Our goal is to dedicate the same partners and engagement team to serve you each year. The team members we select have a demonstrated track record with clients in your industry, strong technical backgrounds, and outstanding leadership and communication skills.

### **Significant Partner and Manager Involvement:**

Our partners and managers are a responsive sounding board to our clients. They will serve as advisors to your management team and will be dedicated to learn the necessary information regarding you and your business.

### **Your Service Leadership Team Will Include:**

- John R. LaFear, CPA/PFS, Managing Partner
- Dennis F. Ashworth, Jr., CPA, Partner
- Richard A. Eskins, CPA, CVA, FHFMA, CGFM
- Robert C. (Rob) Fuller, CPA, Partner
- Aaron J. Heighton, CPA/ABV, CVA, Partner
- Ralph J. Wilson, CPA, Partner
- Rick A. Galloway, CPA, CIA
- Cynthia Bowen, MBA, CPA
- Beverly A. Miller, CPA, CAPP
- James C. (Chris) Tilsley, CPA
- J. Michael (Mike) Hager, CPA

## Service Leadership Team Resumes:

The following resumes introduce your service team. Visit our web site at [www.hayflich.net](http://www.hayflich.net) for an expanded introduction to the capabilities of the other professionals at HAYFLICH & STEINBERG.



**John R. LaFear, CPA/PFS**  
**Managing Partner**

Mr. LaFear is the Managing Partner of HAYFLICH & STEINBERG. He consults with Senior Firm Members and clients on complex tax, financial planning, and employee benefit issues. He holds a Bachelor of Science degree with emphasis in Industrial Management, Mathematics and Accounting from Lawrence University, Southfield, Michigan. His 40+ years of professional experience has encompassed all aspects of public accounting - corporate, estate, trust, individual taxation, assurance, accounting, financial planning, and employee benefits. For the past 10+ years, he has been actively providing investment consulting and wealth management advisory services. He has served in numerous positions incidental to the profession: Boards and committees of professional associations, instructor, and speaker at professional seminars, and as a special consultant to the profession on investment consulting matters. He has extensive experience in income, estate, and trust taxation; corporate and personal financial planning, including investments, insurance, gifts, income splitting, succession planning, corporate reorganizations, cash and risk management. He has provided expert witness testimony relating to investments and valuation issues as well. He is experienced in qualified and non-qualified employee benefit plans, business valuations, employee stock plans and various compensation strategies. Mr. LaFear has broad industry experience, having advised individuals as well as profit and not-for-profit enterprises.



**Dennis F. Ashworth, Jr., CPA**  
**Partner**

Mr. Ashworth joined HAYFLICH & STEINBERG in 1977 upon his graduation from Marshall University. His 30+ years of public accounting experience covers all facets of auditing, accounting, business consulting, business taxation, and information technology consulting. He has licenses to practice in West Virginia and Virginia. Dennis has extensive experience in performing, managing, and reviewing - audit, review, and compiled financial statements. He has prepared, supervised, or reviewed federal, state, and local corporate, partnership, pension and other income tax, property tax, and information returns. Dennis serves clients in wholesale, manufacturing, retail, healthcare, governmental, and other business organizations. He has a wide range of experience in selection and installation of computer systems. As a member of the AICPA Information Technology Section, he has a keen awareness of advances in information technology and the impact information technology has on the business environment of firm clients.



**Richard A. (Rick) Eskins, CPA, CVA, FHFMA**  
**Manager**

Mr. Eskins is a *cum laude* graduate of Marshall University and has been associated with HAYFLICH & STEINBERG since 1978. Rick practices extensively in services to healthcare industry clientele. His clients have included large

teaching hospitals, governmental-owned health facilities, rural and urban proprietary hospitals, proprietary hospital chains, hospital-based and freestanding long-term care facilities, hospital-based and freestanding home health agencies, durable medical equipment suppliers, rural health clinics, and federally qualified health centers. The firm's healthcare reimbursement-related engagements are also Rick's responsibility. These services include the preparation of cost reports and other compliance filings as well as consultation on technical matters such as appeals and other regulatory issues. Rick has participated extensively in the cost report audit engagements subcontracted to the firm by several Medicare fiscal intermediaries and state Medicaid agencies. He also has varied experience in auditing, cost accounting, tax issues, related-party matters, and financial projections and forecasts. As an active member of various professional organizations, Rick complies with the continuing professional education requirements of the AICPA, the WV Board of Accountancy, the Healthcare Financial Management Association, and Government Auditing Standards.



**Robert C. (Rob) Fuller, CPA**

**Partner**

Mr. Fuller has been associated with HAYFLICH & STEINBERG, since 1996. A 1990 graduate of Marshall University, he has been engaged in public accounting since 1996. He also performed postgraduate accounting work at the University of Kentucky and is licensed to practice accounting in West Virginia. Rob has extensive experience in the performance, management, and review of audited financial statements for wholesale, manufacturing, retail, governmental, not-for-profit, private foundations and college and university clients. He also has experience in audits of employee benefit plans and audits requiring compliance with OMB Circular No. A-133. Rob's experience also includes the performance of traditional accounting engagements, such as reviews and compilations, as well as the preparation and review of federal, state, and local income tax returns for business entities and individuals.



**Aaron J. Heighton, CPA/ABV, CVA**

**Partner**

Mr. Heighton has been associated with HAYFLICH & STEINBERG since September, 1999. He is a 1996 graduate of Marshall University and is licensed to practice in Ohio and West Virginia. He has obtained the status of Accredited in Business Valuations (ABV) through the American Institute of Certified Public Accountants and has also obtained the certification of Certified Valuation Analyst (CVA), an accreditation of the National Association of Certified Valuation Analysts. Aaron has successfully completed the Cannon Financial Trust School with an emphasis on Estate and Trust Planning. He has over 10 years experience in public accounting and the banking/financial services industry. Aaron's experience includes the performance of traditional accounting and auditing engagements, as well as the preparation and review of federal, state, and local income tax returns for business entities, individuals, estates, and trusts. In addition, he has experience in all facets of business valuation engagements and business advisory services. His experience in the financial services industry includes internal reviews, regulatory reporting, due

diligence procedures associated with a merger transaction and close interaction with the board of directors, senior management and regulatory bodies.



**Ralph J. Wilson, CPA**

**Partner**

Mr. Wilson received his MBA from West Virginia University in 1974, and joined HAYFLICH & STEINBERG immediately thereafter. He has devoted his entire career to the area of taxation, especially as it relates to small and mid-sized businesses, and their high net-worth owners. Having served in a variety of capacities early on, Ralph is well grounded in all phases of public accounting. Today he supervises a varied tax practice, but devotes most of his personal attention to particularly complex or controversial assignments. His broad base of experience includes every type of entity; individuals, corporations of all varieties (regular C , subchapter S, public, private, for-profit, non-profit, single-state, multi-state, domestic, international, operating, holding, etc ), partnerships, trusts, associations, employee benefit plans, and governmental agencies.



**Rick A. Galloway, CPA, CIA**

**Supervisor**

Mr. Galloway has been associated with HAYFLICH & STEINBERG since June, 2007. He is a 1985 graduate of Ohio University and is licensed to practice in West Virginia. He has over 22 years experience in public accounting and the banking/financial services and coal industries. Rick's experience includes the performance of traditional accounting and auditing engagements for governmental and nonprofit organizations and audits requiring compliance with OMB Circular No. A-133. His experience in the financial services industry includes internal audit, regulatory reporting, and close interaction with the board of directors, senior management, and regulatory bodies. By working in the private sector, this experience and knowledge complements and enhances the requirements of the public accounting sector.



**Cynthia (Cindy) Bowen, MBA, CPA**

**Supervisor**

Ms. Bowen has been associated with Hayfllich & Steinberg since February 2008. Cindy earned her Bachelor of Business Administration in 1989 from Marshall University, and earned a Master of Business Administration from Marshall University in 1993. She has over 12 years experience in public accounting and the banking/financial services and coal industries. Cindy has extensive experience in the performance, management, and review of audited financial statements for housing authorities, governmental agencies, other not-for-profit, and for-profit clients. She also has extensive experience in audits of employee benefit plans and audits requiring compliance with OMB Circular No. A-133. Cindy's experience also includes the performance of traditional accounting engagements, such as reviews and compilations, as well as the preparation and review of federal, state, and local income tax returns for business entities and individuals.



**Beverly A. Miller, CPA, CAPPMM**  
**Manager**

Mrs. Miller specializes in small business accounting and computer consulting with a special emphasis on physician practices. A graduate of Glenville State College, she has been associated with HAYFLICH & STEINBERG since 1987. In her work with physicians, Beverly has set up new practices and reviewed internal controls and efficiency for existing practices. She has extensive experience in contract negotiations, compliance activities, and computation of physician compensation and bonus payments under terms of employment and guarantee agreements. She also manages the preparation of accounting records, financial statements, and various business, income, and payroll-related tax returns. She has experience in the design and implementation of accounting software applications and serves as the firm's technical advisor and training coordinator for small business accounting software, including QuickBooks. Beverly has been a guest lecturer and speaker for the Marshall University Accounting Department, the Marshall University Medical School, The Medical Office Managers Association, and the West Virginia Healthcare Financial Management Association.



**James C. (Chris) Tilsley, CPA**  
**Supervisor - Business Taxation**

Mr. Tilsley graduated from Campbellsville University in 1999, with a Bachelor of Science in Business Administration with an Accounting Emphasis. He passed the CPA examination in May 2000. Chris joined HAYFLICH & STEINBERG in 1999, and his public accounting experience covers all facets of auditing, accounting, business consulting, and business taxation. Chris serves clients in wholesale, manufacturing, retail, healthcare, governmental, and other business organizations.



**J. Michael (Mike) Hager, CPA**  
**Senior Accountant**

Mr. Hager earned his Bachelor of Sciences in Business Administration in 2003 from Marshall University. Michael joined HAYFLICH & STEINBERG in August of 2004 and has prior experience in bookkeeping and personal income tax preparation. Michael serves clients in wholesale, manufacturing, retail, healthcare, governmental and other business organizations.

**Additional Technical Resources:**



**BDO Seidman, LLP and BDO Seidman Alliance Firms**

While not a party to this proposal, we supplement our exceptional staff with expertise for special issues from BDO Seidman, LLP and/or the 200+ other independent CPA firm Alliance members. Our team of professionals offers the hands-on experience and technical skills required to serve the distinctive needs of the Bureau.



## **Our Fee Proposal**

***We understand the nature of your Organization and the importance of trying to control costs. This would include minimizing the fees paid to outside professionals. Fees that appear to be a bargain often are so low that they do not allow for the professional time required to assist you in reaching your goals.***

### **Fee Philosophy:**

HAYFLICH & STEINBERG's philosophy on professional fees is to provide our clients with quality services that provide value equal to or in excess of the costs incurred. We develop our fees using detailed budgets containing realistic estimates of the time required to complete each area of the engagement. The fees quoted to you below are a product of the total budgeted hours and our standard billing rates, less discounts.

### **Professional Fees:**

Our fees are based on an anticipated 3,350 hours required and will be billed at the all-inclusive fixed rate of \$99.00 per hour for the contract period of one year from the date of the contract. Expenses for travel, meals, lodging, printing and report production will be charged as part of the all-inclusive rate above. Because of the specialized knowledge required when dealing with third party payment issues, we arrived at our fee by carefully considering the mix of qualified professionals necessary to perform the requested services and anticipate approximately 45% of our hours to be member and manager level with the remaining 55% derived from supervisor, senior and staff levels. Our estimated fees will be \$331,650 for the estimated 3,350 hours at \$99.00 per hour.

***Thank you for the opportunity to provide professional services for State of West Virginia Bureau for Behavioral Health and Health Facilities.***

We will dedicate a staff of professionals to your engagement that will allow us to both meet and exceed your expectations related to the quality and timely delivery of your requested reports. Our proposal illustrates our qualifications, highlights our desire to work with the Bureau, and allows for the professional time required to assist the Bureau in achieving its goals.

Should you have any questions or need additional information, please contact Robert C. (Rob) Fuller or Richard A. Eskins, CPA, CVA, FHFMA at (304) 697-5700. We would be happy to meet with you should you desire.

Very truly yours,



HAYFLICH & STEINBERG, CPA'S, PLLC

June 26, 2008

**ATTACHMENTS**



State of West Virginia  
 Department of Administration  
 Purchasing Division  
 2019 Washington Street East  
 Post Office Box 50130  
 Charleston, WV 25305-0130

# Request for Quotation

RFO NUMBER  
**BHS90017**

PAGE  
**1**

ADDRESS CORRESPONDENCE TO ATTENTION OF  
**ROBERTA WAGNER**  
**304-558-0067**

**RFQ COPY**  
**TYPE NAME/ADDRESS HERE**  
**HAYFLICH & STEINBERG, CPAS, PLLC**  
**#8 STONECREST DRIVE**  
**HUNTINGTON, WV 25701**

**VARIOUS AGENCY LOCALES**  
**AS INDICATED BELOW**

DATE PRINTED <b>05/22/2008</b>	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
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BID OPENING DATE: **06/26/2008** BID OPENING TIME **01:30PM**

LINE	QUANTITY	UOP	CAT NO	ITEM NUMBER	UNIT PRICE	AMOUNT
0001	1	JB	961-20	<b>OPEN-END BLANKET CONTRACT</b>  <b>PROFESSIONAL ACCOUNTING &amp; FINANCIAL MGMT. SERVICES</b>  TO PROVIDE ACCOUNTING AND FINANCIAL MANAGEMENT SERVICES TO MILDRED MITCHELL-BATEMAN HOSPITAL, WILLIAM R. SHARPE, JR. HOSPITAL, AND WELCH COMMUNITY HOSPITAL WITHIN THE WEST VIRGINIA DEPARTMENT OF HEALTH AND HUMAN RESOURCES, BUREAU FOR BEHAVIORAL HEALTH AND HEALTH FACILITIES. SEE ATTACHED SPECIFICATIONS.		
<b>EXHIBIT 3</b>  <b>LIFE OF CONTRACT:</b> THIS CONTRACT BECOMES EFFECTIVE ON AND EXTENDS FOR A PERIOD OF ONE (1) YEAR OR UNTIL SUCH "REASONABLE TIME" THEREAFTER AS IS NECESSARY TO OBTAIN A NEW CONTRACT OR RENEW THE ORIGINAL CONTRACT. THE "REASONABLE TIME" PERIOD SHALL NOT EXCEED TWELVE (12) MONTHS. DURING THIS "REASONABLE TIME" THE VENDOR MAY TERMINATE THIS CONTRACT FOR ANY REASON UPON GIVING THE DIRECTOR OF PURCHASING 30 DAYS WRITTEN NOTICE.						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE *John R. Kester* TELEPHONE **(304) 697-5700** DATE **6/26/2008**  
 TITLE **MANAGING PARTNER** FEIN **37-1496963** ADDRESS CHANGES TO BE NOTED ABOVE

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'

**GENERAL TERMS & CONDITIONS  
REQUEST FOR QUOTATION (RFQ) AND REQUEST FOR PROPOSAL (RFP)**

1. Awards will be made in the best interest of the State of West Virginia
2. The State may accept or reject in part, or in whole, any bid
3. All quotations are governed by the *West Virginia Code* and the *Legislative Rules* of the Purchasing Division
4. Prior to any award, the apparent successful vendor must be properly registered with the Purchasing Division and have paid the required \$125.00 registration fee
5. All services performed or goods delivered under State Purchase Orders/Contracts are to be continued for the term of the Purchase Order/Contract, contingent upon funds being appropriated by the Legislature or otherwise being made available. In the event funds are not appropriated or otherwise available for these services or goods, this Purchase Order/Contract becomes void and of no effect after June 30.
6. Payment may only be made after the delivery and acceptance of goods or services
7. Interest may be paid for late payment in accordance with the *West Virginia Code*.
8. Vendor preference will be granted upon written request in accordance with the *West Virginia Code*.
9. The State of West Virginia is exempt from federal and state taxes and will not pay or reimburse such taxes.
10. The Director of Purchasing may cancel any Purchase Order/Contract upon 30 days written notice to the seller
11. The laws of the State of West Virginia and the *Legislative Rules* of the Purchasing Division shall govern all rights and duties under the Contract, including without limitation the validity of this Purchase Order/Contract
12. Any reference to automatic renewal is hereby deleted. The Contract may be renewed only upon mutual written agreement of the parties
13. **BANKRUPTCY:** In the event the vendor/contractor files for bankruptcy protection, this Contract may be deemed null and void, and terminated without further order
14. **HIPAA Business Associate Addendum** - The West Virginia State Government HIPAA Business Associate Addendum (BAA), approved by the Attorney General, and available online at the Purchasing Division's web site (<http://www.state.wv.us/admin/purchase/vrc/hipaa.htm>) is hereby made part of the agreement. Provided that, the Agency meets the definition of a Covered Entity (45 CFR §160.103) and will be disclosing Protected Health Information (45 CFR §160.103) to the vendor

---

**INSTRUCTIONS TO BIDDERS**

1. Use the quotation forms provided by the Purchasing Division
2. **SPECIFICATIONS:** Items offered must be in compliance with the specifications. Any deviation from the specifications must be clearly indicated by the bidder. Alternates offered by the bidder as **EQUAL** to the specifications must be clearly defined. A bidder offering an alternate should attach complete specifications and literature to the bid. The Purchasing Division may waive minor deviations to specifications
3. Complete all sections of the quotation form
4. Unit prices shall prevail in cases of discrepancy
5. All quotations are considered F O B destination unless alternate shipping terms are clearly identified in the quotation
6. **BID SUBMISSION:** All quotations must be delivered by the bidder to the office listed below prior to the date and time of the bid opening. Failure of the bidder to deliver the quotations on time will result in bid disqualifications.

**SIGNED BID TO:**

Department of Administration  
Purchasing Division  
2019 Washington Street East  
Post Office Box 50130  
Charleston, WV 25305-0130



State of West Virginia  
 Department of Administration  
 Purchasing Division  
 2019 Washington Street East  
 Post Office Box 50130  
 Charleston, WV 25305-0130

# Request for Quotation

BFO NUMBER
BHS90017

PAGE
2

ADDRESS CORRESPONDENCE TO ATTENTION OF
ROBERTA WAGNER 304-558-0067

RFQ COPY  
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VARIOUS AGENCY LOCALES  
 AS INDICATED BELOW

PURCHASER

SHIP TO

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
05/22/2008				

BID OPENING DATE: 06/26/2008 BID OPENING TIME 01:30PM

LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
<p>UNLESS SPECIFIC PROVISIONS ARE STIPULATED ELSEWHERE IN THIS CONTRACT DOCUMENT, THE TERMS, CONDITIONS AND PRICING SET HEREIN ARE FIRM FOR THE LIFE OF THE CONTRACT.</p> <p>RENEWAL: THIS CONTRACT MAY BE RENEWED UPON THE MUTUAL WRITTEN CONSENT OF THE SPENDING UNIT AND VENDOR, SUBMITTED TO THE DIRECTOR OF PURCHASING THIRTY (30) DAYS PRIOR TO THE EXPIRATION DATE. SUCH RENEWAL SHALL BE IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE ORIGINAL CONTRACT AND SHALL BE LIMITED TO TWO (2) ONE (1) YEAR PERIODS.</p> <p>CANCELLATION: THE DIRECTOR OF PURCHASING RESERVES THE RIGHT TO CANCEL THIS CONTRACT IMMEDIATELY UPON WRITTEN NOTICE TO THE VENDOR IF THE COMMODITIES AND/OR SERVICES SUPPLIED ARE OF AN INFERIOR QUALITY OR DO NOT CONFORM TO THE SPECIFICATIONS OF THE BID AND CONTRACT HEREIN.</p> <p>OPEN MARKET CLAUSE: THE DIRECTOR OF PURCHASING MAY AUTHORIZE A SPENDING UNIT TO PURCHASE ON THE OPEN MARKET, WITHOUT THE FILING OF A REQUISITION OR COST ESTIMATE, ITEMS SPECIFIED ON THIS CONTRACT FOR IMMEDIATE DELIVERY IN EMERGENCIES DUE TO UNFORESEEN CAUSES (INCLUDING BUT NOT LIMITED TO DELAYS IN TRANSPORTATION OR AN UNANTICIPATED INCREASE IN THE VOLUME OF WORK.)</p> <p>QUANTITIES: QUANTITIES LISTED IN THE REQUISITION ARE APPROXIMATIONS ONLY, BASED ON ESTIMATES SUPPLIED BY THE STATE SPENDING UNIT. IT IS UNDERSTOOD AND AGREED THAT THE CONTRACT SHALL COVER THE QUANTITIES ACTUALLY ORDERED FOR DELIVERY DURING THE TERM OF THE CONTRACT, WHETHER MORE OR LESS THAN THE QUANTITIES SHOWN.</p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE	TELEPHONE	DATE
<i>John R. Foster</i>	(304) 697-5700	6/26/2008
TITLE	FEIN	ADDRESS CHANGES TO BE NOTED ABOVE
MANAGING PARTNER	37-1496963	

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'



State of West Virginia  
 Department of Administration  
 Purchasing Division  
 2019 Washington Street East  
 Post Office Box 50130  
 Charleston, WV 25305-0130

# Request for Quotation

RFQ NUMBER:  
**BHS90017**

PAGE:  
**3**

ADDRESS CORRESPONDENCE TO ATTENTION OF:  
**ROBERTA WAGNER  
 304-558-0067**

RFQ COPY  
 TYPE NAME/ADDRESS HERE

VARIOUS AGENCY LOCALES  
 AS INDICATED BELOW

ROBERTA WAGNER

SHIP TO

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
05/22/2008				

BID OPENING DATE: **06/26/2008** BID OPENING TIME **01:30PM**

LINE	QUANTITY	UOP	CAT NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
<p><b>ORDERING PROCEDURE:</b> SPENDING UNIT(S) SHALL ISSUE A WRITTEN STATE CONTRACT ORDER (FORM NUMBER WV-39) TO THE VENDOR FOR COMMODITIES COVERED BY THIS CONTRACT. THE ORIGINAL COPY OF THE WV-39 SHALL BE MAILED TO THE VENDOR AS AUTHORIZATION FOR SHIPMENT, A SECOND COPY MAILED TO THE PURCHASING DIVISION, AND A THIRD COPY RETAINED BY THE SPENDING UNIT.</p> <p><b>BANKRUPTCY:</b> IN THE EVENT THE VENDOR/CONTRACTOR FILES FOR BANKRUPTCY PROTECTION, THIS CONTRACT IS AUTOMATICALLY NULL AND VOID, AND IS TERMINATED WITHOUT FURTHER ORDER.</p> <p><b>INQUIRIES:</b> WRITTEN QUESTIONS SHALL BE ACCEPTED THROUGH CLOSE OF BUSINESS ON JUNE 9, 2008. QUESTIONS MAY BE SENT VIA USPS, FAX, COURIER OR E-MAIL. IN ORDER TO ASSURE NO VENDOR RECEIVES AN UNFAIR ADVANTAGE, NO SUBSTANTIVE QUESTIONS WILL BE ANSWERED ORALLY. IF POSSIBLE, E-MAIL QUESTIONS ARE PREFERRED. ADDRESS INQUIRIES TO:</p> <p><b>ROBERTA WAGNER        DEPARTMENT OF ADMINISTRATION        PURCHASING DIVISION        2019 WASHINGTON STREET, EAST        CHARLESTON, WV 25311</b></p> <p><b>FAX: 304-558-4115        E-MAIL: ROBERTA.A.WAGNER@WV.GOV</b></p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE <i>John R. Ladd</i>	TELEPHONE <b>304-697-5700</b>	DATE <b>6/26/2008</b>
TITLE <b>MANAGING PARTNER</b>	FAX <b>37-1496963</b>	ADDRESS CHANGES TO BE NOTED ABOVE

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'



State of West Virginia  
 Department of Administration  
 Purchasing Division  
 2019 Washington Street East  
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# Request for Quotation

RFO NUMBER  
**BHS90017**

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ADDRESS CORRESPONDENCE TO ATTENTION OF  
**ROBERTA WAGNER  
 304-558-0067**

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DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
05/22/2008				

BID OPENING DATE: **06/26/2008** BID OPENING TIME **01:30PM**

LINE	QUANTITY	UOP	CAT NO	ITEM NUMBER	UNIT PRICE	AMOUNT
<p><b>EXHIBIT 4</b></p> <p><b>LOCAL GOVERNMENT BODIES: UNLESS THE VENDOR INDICATES IN THE BID HIS REFUSAL TO EXTEND THE PRICES, TERMS, AND CONDITIONS OF THE BID TO COUNTY, SCHOOL, MUNICIPAL AND OTHER LOCAL GOVERNMENT BODIES, THE BID SHALL EXTEND TO POLITICAL SUBDIVISIONS OF THE STATE OF WEST VIRGINIA. IF THE VENDOR DOES NOT WISH TO EXTEND THE PRICES, TERMS, AND CONDITIONS OF THE BID TO ALL POLITICAL SUBDIVISIONS OF THE STATE, THE VENDOR MUST CLEARLY INDICATE SUCH REFUSAL IN HIS BID. SUCH REFUSAL SHALL NOT PREJUDICE THE AWARD OF THIS CONTRACT IN ANY MANNER.</b></p> <p><b>REV. 3/88</b></p> <p><b>PURCHASING CARD ACCEPTANCE: THE STATE OF WEST VIRGINIA CURRENTLY UTILIZES A VISA PURCHASING CARD PROGRAM WHICH IS ISSUED THROUGH A BANK. THE SUCCESSFUL VENDOR MUST ACCEPT THE STATE OF WEST VIRGINIA VISA PURCHASING CARD FOR PAYMENT OF ALL ORDERS PLACED BY ANY STATE AGENCY AS A CONDITION OF AWARD.</b></p> <p><b>VENDOR PREFERENCE CERTIFICATE</b></p> <p><b>CERTIFICATION AND APPLICATION* IS HEREBY MADE FOR PREFERENCE IN ACCORDANCE WITH WEST VIRGINIA CODE, 5A-3-37 (DOES NOT APPLY TO CONSTRUCTION CONTRACTS).</b></p> <p><b>A. APPLICATION IS MADE FOR 2.5% PREFERENCE FOR THE REASON CHECKED:</b></p> <p><b>( ) BIDDER IS AN INDIVIDUAL RESIDENT VENDOR AND HAS RESIDED CONTINUOUSLY IN WEST VIRGINIA FOR FOUR (4) YEARS IMMEDIATELY PRECEDING THE DATE OF THIS CERTIFICATION; OR</b></p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS:

SIGNATURE <i>John R. Laster</i>	TELEPHONE <b>(304) 697-5700</b>	DATE <b>6/26/2008</b>
TITLE <b>MANAGING PARTNER</b>	FEM <b>37-1496963</b>	ADDRESS CHANGES TO BE NOTED ABOVE

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'



State of West Virginia  
 Department of Administration  
 Purchasing Division  
 2019 Washington Street East  
 Post Office Box 50130  
 Charleston, WV 25305-0130

# Request for Quotation

RFQ NUMBER  
**BHS90017**

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ADDRESS CORRESPONDENCE TO ATTENTION OF  
**ROBERTA WAGNER  
 304-558-0067**

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VARIOUS AGENCY LOCALES  
 AS INDICATED BELOW

RFQ COPY

SHIP TO

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
05/22/2008				

BID OPENING DATE: **06/26/2008** BID OPENING TIME **01:30PM**

LINE	QUANTITY	UOP	CAT NO	ITEM NUMBER	UNIT PRICE	AMOUNT
<p>(✓) BIDDER IS A PARTNERSHIP, ASSOCIATION OR CORPORATION RESIDENT VENDOR AND HAS MAINTAINED ITS HEAD-QUARTERS OR PRINCIPAL PLACE OF BUSINESS CONTINUOUSLY IN WEST VIRGINIA FOR FOUR (4) YEARS IMMEDIATELY PRECEDING THE DATE OF THIS CERTIFICATION; OR 80% OF THE OWNERSHIP INTEREST OF BIDDER IS HELD BY ANOTHER INDIVIDUAL, PARTNERSHIP, ASSOCIATION OR CORPORATION RESIDENT VENDOR WHO HAS MAINTAINED ITS HEADQUARTERS OR PRINCIPAL PLACE OF BUSINESS CONTINUOUSLY IN WEST VIRGINIA FOR FOUR (4) YEARS IMMEDIATELY PRECEDING THE DATE OF THIS CERTIFICATION; OR</p> <p>( ) BIDDER IS A CORPORATION NONRESIDENT VENDOR WHICH HAS AN AFFILIATE OR SUBSIDIARY WHICH EMPLOYS A MINIMUM OF ONE HUNDRED STATE RESIDENTS AND WHICH HAS MAINTAINED ITS HEADQUARTERS OR PRINCIPAL PLACE OF BUSINESS WITHIN WEST VIRGINIA CONTINUOUSLY FOR THE FOUR (4) YEARS IMMEDIATELY PRECEDING THE DATE OF THIS CERTIFICATION.</p> <p>B. APPLICATION IS MADE FOR 2.5% PREFERENCE FOR THE REASON CHECKED:</p> <p>( ) BIDDER IS A RESIDENT VENDOR WHO CERTIFIES THAT, DURING THE LIFE OF THE CONTRACT, ON AVERAGE AT LEAST 75% OF THE EMPLOYEES WORKING ON THE PROJECT BEING BID ARE RESIDENTS OF WEST VIRGINIA WHO HAVE RESIDED IN THE STATE CONTINUOUSLY FOR THE TWO YEARS IMMEDIATELY PRECEDING SUBMISSION OF THIS BID;</p> <p>OR</p> <p>( ) BIDDER IS A NONRESIDENT VENDOR EMPLOYING A MINIMUM OF ONE HUNDRED STATE RESIDENTS OR IS A NONRESIDENT VENDOR WITH AN AFFILIATE OR SUBSIDIARY WHICH MAINTAINS ITS HEADQUARTERS OR PRINCIPAL PLACE OF BUSINESS WITHIN WEST VIRGINIA EMPLOYING A MINIMUM OF ONE HUNDRED STATE RESIDENTS WHO CERTIFIES THAT,</p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE *John R. Kester* TELEPHONE (304) 697-5700 DATE 6/26/2008  
 TITLE MANAGING PARTNER FEIN 37-1496963 ADDRESS CHANGES TO BE NOTED ABOVE

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'





State of West Virginia  
 Department of Administration  
 Purchasing Division  
 2019 Washington Street East  
 Post Office Box 50130  
 Charleston, WV 25305-0130

# Request for Quotation

RFO NUMBER
BHS90017

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6

ADDRESS CORRESPONDENCE TO ATTENTION OF
ROBERTA WAGNER 304-558-0067

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VARIOUS AGENCY LOCALES  
 AS INDICATED BELOW

RFQ COPY

SHIP TO

DATE PRINTED	TERMS OF SALE	SHIP VIA	FOB	FREIGHT TERMS
05/22/2008				

BID OPENING DATE: **06/26/2008** BID OPENING TIME **01:30PM**

LINE	QUANTITY	UOP	CAT NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
<p>DURING THE LIFE OF THE CONTRACT, ON AVERAGE AT LEAST 75% OF THE EMPLOYEES OR BIDDERS' AFFILIATE'S OR SUBSIDIARY'S EMPLOYEES ARE RESIDENTS OF WEST VIRGINIA WHO HAVE RESIDED IN THE STATE CONTINUOUSLY FOR THE TWO YEARS IMMEDIATELY PRECEDING SUBMISSION OF THIS BID.</p> <p>BIDDER UNDERSTANDS IF THE SECRETARY OF TAX &amp; REVENUE DETERMINES THAT A BIDDER RECEIVING PREFERENCE HAS FAILED TO CONTINUE TO MEET THE REQUIREMENTS FOR SUCH PREFERENCE, THE SECRETARY MAY ORDER THE DIRECTOR OF PURCHASING TO: (A) RESCIND THE CONTRACT OR PURCHASE ORDER ISSUED; OR (B) ASSESS A PENALTY AGAINST SUCH BIDDER IN AN AMOUNT NOT TO EXCEED 5% OF THE BID AMOUNT AND THAT SUCH PENALTY WILL BE PAID TO THE CONTRACTING AGENCY OR DEDUCTED FROM ANY UNPAID BALANCE ON THE CONTRACT OR PURCHASE ORDER.</p> <p>BY SUBMISSION OF THIS CERTIFICATE, BIDDER AGREES TO DISCLOSE ANY REASONABLY REQUESTED INFORMATION TO THE PURCHASING DIVISION AND AUTHORIZES THE DEPARTMENT OF TAX AND REVENUE TO DISCLOSE TO THE DIRECTOR OF PURCHASING APPROPRIATE INFORMATION VERIFYING THAT BIDDER HAS PAID THE REQUIRED BUSINESS TAXES, PROVIDED THAT SUCH INFORMATION DOES NOT CONTAIN THE AMOUNTS OF TAXES PAID NOR ANY OTHER INFORMATION DEEMED BY THE TAX COMMISSIONER TO BE CONFIDENTIAL.</p> <p>UNDER PENALTY OF LAW FOR FALSE SWEARING (WEST VIRGINIA CODE 61-5-3), BIDDER HEREBY CERTIFIES THAT THIS CERTIFICATE IS TRUE AND ACCURATE IN ALL RESPECTS; AND THAT IF A CONTRACT IS ISSUED TO BIDDER AND IF ANYTHING CONTAINED WITHIN THIS CERTIFICATE CHANGES DURING THE TERM OF THE CONTRACT, BIDDER WILL NOTIFY THE PURCHASING DIVISION IN WRITING IMMEDIATELY.</p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE	TELEPHONE	DATE
<i>John R. Kasear</i>	(204) 697-5700	6/26/2008
TITLE	FEIN	ADDRESS CHANGES TO BE NOTED ABOVE
MANAGING PARTNER	37-1496963	

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'



State of West Virginia  
 Department of Administration  
 Purchasing Division  
 2019 Washington Street East  
 Post Office Box 50130  
 Charleston, WV 25305-0130

# Request for Quotation

RFQ NUMBER  
**BHS90017**

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ADDRESS CORRESPONDENCE TO ATTENTION OF  
**ROBERTA WAGNER**  
**304-558-0067**

RFQ COPY  
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VARIOUS AGENCY LOCALES  
 AS INDICATED BELOW

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
05/22/2008				

BID OPENING DATE: **06/26/2008** BID OPENING TIME **01:30PM**

LINE	QUANTITY	UOP	CAT NO	ITEM NUMBER	UNIT PRICE	AMOUNT
<p>BIDDER: <u>HAYFLICH &amp; STEINBERG, CPAs, PLLC</u></p> <p>DATE: <u>June 26, 2008</u></p> <p>SIGNED: <u>John R. Laskar</u></p> <p>TITLE: <u>MANAGING PARTNER</u></p> <p>* CHECK ANY COMBINATION OF PREFERENCE CONSIDERATION(S) IN EITHER "A" OR "B", OR BOTH "A" AND "B" WHICH YOU ARE ENTITLED TO RECEIVE. YOU MAY REQUEST UP TO THE MAXIMUM 5% PREFERENCE FOR BOTH "A" AND "B". (REV. 12/00)</p> <p>NOTICE</p> <p>A SIGNED BID MUST BE SUBMITTED TO:</p> <p>DEPARTMENT OF ADMINISTRATION          PURCHASING DIVISION          BUILDING 15          2019 WASHINGTON STREET, EAST          CHARLESTON, WV 25305-0130</p> <p>PLEASE NOTE: A CONVENIENCE COPY WOULD BE APPRECIATED.</p> <p>THE BID SHOULD CONTAIN THIS INFORMATION ON THE FACE OF THE ENVELOPE OR THE BID MAY NOT BE CONSIDERED:</p> <p>SEALED BID</p> <p>BUYER: ----- RW/FILE 22 -----</p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE <u>John R. Laskar</u>	TELEPHONE <u>(304) 697-5700</u>	DATE <u>6/26/2008</u>
TITLE <u>MANAGING PARTNER</u>	FEIN <u>37-1496963</u>	ADDRESS CHANGES TO BE NOTED ABOVE

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'



State of West Virginia  
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 Purchasing Division  
 2019 Washington Street East  
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# Request for Quotation

RFQ NUMBER  
**BHS90017**

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ADDRESS CORRESPONDENCE TO ATTENTION OF  
**ROBERTA WAGNER**  
**304-558-0067**

RFQ COPY  
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VARIOUS AGENCY LOCALES  
 AS INDICATED BELOW

VENDOR

SHIP TO

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
05/22/2008				

BID OPENING DATE: **06/26/2008** BID OPENING TIME: **01:30PM**

LINE	QUANTITY	UOP	CAT NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
RFQ. NO.: ----- BHS90017 ----- BID OPENING DATE: ----- 06/26/2008 ----- BID OPENING TIME: ----- 1:30 PM -----  PLEASE PROVIDE A FAX NUMBER IN CASE IT IS NECESSARY TO CONTACT YOU REGARDING YOUR BID: (304) 697-5704  CONTACT PERSON (PLEASE PRINT CLEARLY): Rick Eskins, John LaFear, Rob Fuller  ***** THIS IS THE END OF RFQ BHS90017 ***** TOTAL: <u>\$331,650</u>						

*\$99 per hour estimated  
 3,350 hours  
 \$331,650*

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE: *John R. LaFear* TELEPHONE: (304) 697-5700 DATE: 6/26/2008  
 TITLE: MANAGING PARTNER FEIN: 37-1496963 ADDRESS CHANGES TO BE NOTED ABOVE

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'

**1.1 PURPOSE:**

To obtain the services of an experienced Certified Public Accounting firm to provide professional accounting and financial management services for Mildred Mitchell-Bateman Hospital, Welch Community Hospital, and William R. Sharpe, Jr. Hospital.

**1.2 Location of Hospitals and Background Information**

**Mildred Mitchell-Bateman Hospital**

Mildred Mitchell-Bateman Hospital is located at 1530 Norway Avenue, Huntington, WV 25709-0448 Facility is a 90-bed, state-supported acute, psychiatric hospital The Fiscal Services Department oversees the financial operations.

**Welch Community Hospital**

Welch Community Hospital is located at 454 McDowell Street, Welch, WV 24801 Welch Community Hospital is a 124 licensed, 108 staffed-bed hospital, 59 of which are long term care beds. The acute care beds include: 7 intensive care beds; 2 pediatric beds; 7 obstetrical beds, and 33 medical/surgical beds. The Hospital serves the counties of McDowell, Wyoming, and Mingo with a total market population of about 80,000 Welch Community Hospital has one (1) off-campus site which is connected to the Hospital's information system. This site houses the Hospital's Family Practice Clinics (Primary Care Clinic) This site is expected to treat over seventy-five (75) patients daily

**William R. Sharpe Jr. Hospital**

William R. Sharpe Jr. Hospital is located at Route 33 West, Weston, West Virginia 26452 Agency is part of a state-owned network of psychiatric and long-term care facilities and is a 150-bed acute, psychiatric hospital, (of which 50 are designated for the forensic population) accredited by the Joint Commission on Accreditation of HealthCare Organizations (JCAHO), and certified by the Health Care Financial Authority (HCFA) The Fiscal Services Department oversees financial operations at Sharpe Hospital

**2.0 GENERAL REQUIREMENTS**

A certified public accounting firm is to provide professional accounting and financial management services performed by a staff of qualified and experience personnel Staff assignments must be acceptable to facility CFO/CEO

**2.1 Vendor's Experience: Mandatory**

Vendor must provide documentation to demonstrate the following requirements are met:

- be an established Certified Public Accounting Firm with ten (10) years experience and registered with the State of West Virginia
- have at least five (5) years healthcare consulting experience.
- have at least three (3) years experience in 339 reporting.
- have at least five (5) years experience Health Care Authority (HCA) reporting, including quarterly CBM-9 reports.
- have at least five (5) years experience in reimbursement regulation research.
- have at least five (5) years experience related to rate regulation.

Met Yes/No
Y
Y
Y
Y
Y
Y

## 2.2 Services to be provided: Mandatory

Vendor will be responsible for providing professional accounting and financial management services to include, but not be limited to the following services:

- A Provide ongoing consulting to the Hospitals related to their accounting functions involving monthly, quarterly, and yearly analysis of financial statements, general ledger, and supporting subsidiary ledgers as requested by the Bureau and/or Facility's Chief Financial Officer (CFO)

This shall also include reviews of any required file conversions to ensure detail is correct. The facilities are switching to a GL system utilizing Keane Systems; target start date for conversion is July 1, 2008

- B Assist hospital business office and accounting personnel to develop the data necessary for the vendor to complete Federal and State regulatory reports.
- C Provide technical support in the billing and collection process as requested by the Chief Financial Officer; recommend improvements as applicable
- D Provide a financial records review to the Chief Financial Officer as requested, which will be at least on a quarterly basis.
- E Provide reimbursement regulation research and respond to the Chief Financial Officer as requested.
- F Prepare all Medicare (HCFA 2552) Cost Reports, Provider Cost Report Reimbursement Questionnaires (HCFA 339) and supporting documentation, which are due during the contract period. These reports are to be submitted prior to the deadline established by HCFA
- G Prepare all Health Care Authority (HCA) Reports which are due during the contract period. All reports are to be submitted prior to the deadline established by HCA.
- H Vendor shall review and update fee schedules throughout the contract period as requested by the Chief Financial Officer, which will be at least quarterly.
- I Prepare all disproportionate share calculations as requested by the CFO, which shall be at least once a year.
- J Recommend improvements in cost reimbursement to gain consistency among the facilities; review revenue opportunities -- more focus on revenue cycle process and review

## 3.0 SPECIAL TERMS AND CONDITIONS

### 3.1 Insurance Requirements

The vendor, as an independent contractor, is solely liable for the acts and omissions of its employees and agents. Proof of insurance shall be provided by the vendor at the time the contract is awarded. The vendor shall maintain and furnish proof of coverage of liability insurance for loss, damage, or injury (including death) of third parties arising from acts and omissions on the part of the vendor, its agents and employees in the following amounts:

- For bodily injury (including death): Minimum of \$500,000.00 per person, and \$1,000,000.00 per occurrence
- For property damage and professional liability: Minimum of \$1,000,000.00 per occurrence.

### **3.2 License Requirements**

The successful Vendor must present evidence of certification or licensure With the West Virginia Workers Compensation and Unemployment Funds, a copy of its W. Va Business Certificate and any other licenses it may be required to hold by the nature of its operation.

### **3.3 Liquidated Damages for Failure to Meet Performance**

According to West Virginia State Code §5A-3-4(8), the Vendor agrees that liquidated damages shall be imposed at the rate identified in this section. The additional remedies described in this part shall be cumulative and shall be assessed upon each separate period of accountability. This clause shall in no way be considered exclusive and shall not limit the State or Agency's right to pursue any other additional remedy to which the State or Agency may have legal cause for action including further damages against the Vendor.

Oral or written notification to the successful Vendor of the failure to meet performance by its due date as set forth in the then-current mutually agreed upon Engagement document may be given by the Bureau/Facility CFO and/or CEO to the Vendor. The Vendor shall immediately cure the failure set forth in the notification. If the failure is not resolved, liquidated damages may be imposed at the State's option and shall be imposed retroactively to the date of failure to perform.

Amounts so determined shall constitute deductions from the amount of the Vendor's request for payment. The Vendor is responsible for the preparation and submittal of an accurate payment request. Failure to reflect such deductions from the amount of the Vendor's request for payment shall constitute grounds for the Department to pend or deny that request for payment. Any additional costs incurred by the State solely as a result of the failure by the Vendor to perform or provide services as outlined in the Engagement, including, by not limited to, additional costs for obtaining services to meet established reporting requirements by the Bureau, shall also be the responsibility of the Vendor.

Daily penalty for failure to meet deadlines as agreed upon in Engagement: \$500 per calendar day. Vendor performance complaints will also be filed indicating non-compliance.

## **4.0 GENERAL TERMS AND CONDITIONS**

### **4.1 Conflict of Interest**

Vendor affirms that it, its officers or members or employees presently have no interest and shall not acquire any interest, direct or indirect which would conflict or compromise in any manner or degree with the performance or its services hereunder. The Vendor further covenants that in the performance of the contract, the Vendor shall periodically inquire of

its officers, members and employees concerning such interests. Any such interests discovered shall be promptly presented in detail to the Agency.

#### **4.2 Prohibition Against Gratuities**

Vendor warrants that it has not employed any company or person other than a bona fide employee working solely for the vendor or a company regularly employed as its marketing agent to solicit or secure the contract and that it has not paid or agreed to pay any company or person any fee, commission, percentage, brokerage fee, gifts or any other consideration contingent upon or resulting from the award of the contract.

For breach or violation of this warranty, the State shall have the right to annul this contract without liability at its discretion, and/or to pursue any other remedies available under this contract or by law.

#### **4.3 Certifications Related to Lobbying**

Vendor certifies that no federal appropriated funds have been paid or will be paid, by or on behalf of the company or an employee thereof to any person for purposes of influencing or attempting to influence an officer or employee of any Federal entity, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee or any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the Vendor shall complete and submit a disclosure form to report the lobbying.

Vendor agrees that this language of certification shall be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this contract was made and entered into.

#### **4.4 Vendor Relationship**

The relationship of the Vendor to the State shall be that of an independent contractor and no principal-agent relationship or employer-employee relationship is contemplated or created by the parties to this contract. The Vendor as an independent contractor is solely liable for the acts and omissions of its employees and agents.

Vendor shall be responsible for selecting, supervising and compensating any and all individuals employed pursuant to the terms of this RFQ and resulting contract. Neither the Vendor nor any employees or contractors of the vendor shall be deemed to be employees of the State for any purposes whatsoever.

Vendor shall be exclusively responsible for the payment to his/her employees and contractors of all wages and salaries, taxes, withholding payments, penalties, fees, fringe

benefits, professional liability insurance premiums, contributions to insurance and pension or other deferred compensation plans, including but not limited to Workers' Compensation and Social Security obligations, and licensing fees, etc. and the filing of all necessary documents, forms and returns pertinent to all of the foregoing.

Vendor shall hold harmless the State, and shall provide the State and Agency with a defense against any and all claims including but not limited to the foregoing payments, withholdings, contributions, taxes, social security taxes and employer income tax returns

The Vendor shall not assign, convey, transfer or delegate any of its responsibilities and obligations under this contract to any person, corporation, partnership, association or entity without expressed written consent of the Agency.

#### **4.5 Indemnification**

The Vendor agrees to indemnify, defend and hold harmless the State and the Agency, their officers, and employees from and against: (1) Any claims or losses for services rendered by any sub contractor, person or firm performing or supplying services, materials or supplies in connection with the performance of the contract; (2) Any claims or losses resulting to any person or entity injured or damaged by the Vendor, its officers, employees, or subcontractors by the publication, translation, reproduction, delivery, performance, use or disposition of any data used under the contract in a manner not authorized by the contract, or by Federal or State statutes or regulations; (3) Any failure of the Vendor, its officers, employees or subcontractors to observe State and Federal laws, including but not limited to labor and wage laws.

#### **4.6 Governing Law**

This contract shall be governed by the laws of the State of West Virginia. The Vendor further agrees to comply with the Civil Rights Act of 1964 and all other applicable laws (Federal, State and local Government) regulations.

#### **4.7 Compliance with Laws and Regulations**

The contractor shall procure all necessary permits and licenses to comply with all applicable laws, Federal, State or municipal, along with all regulations, and ordinances of any regulating body.

The Vendor shall pay any applicable sales, use, or personal property taxes arising out of this contract and the transactions contemplated thereby. Any other taxes levied upon this contract, the transaction, or the equipment, or services delivered pursuant here to shall be borne by the contractor. It is clearly understood that the State of West Virginia is exempt from any taxes regarding performance of the scope of work of this contract,

#### **4.8 Subcontracts/Joint Ventures**

The Vendor is solely responsible for all work performed under the contract and shall assume prime contractor responsibility for all services offered and products to be delivered under the terms of this contract. The State will consider the Vendor to be the sole point of contact with regard to all contractual matters. The Vendor may, with the prior written consent of the State, enter into written subcontracts for performance of work under this contract; however, the vendor is totally responsible for payment of the subcontractors



**4.9 Non-Appropriation of Funds**

If the Agency is not allotted funds in any succeeding fiscal year for the continued use of the service covered by this contract by the West Virginia Legislature, the Agency may terminate the contract at the end of the affected current fiscal period without further charge or penalty. The Agency shall give the vendor written notice of such non-allocation of funds as soon as possible after the Agency receives notice. No penalty shall accrue to the Agency in the event this provision is exercised

**4.10 Changes**

Any change in Federal or State law, or court actions which constitute binding precedent in West Virginia, and which significantly alters the Vendor's required activities or any change in the availability of funds, shall be viewed as binding and shall warrant good faith renegotiation of the compensation paid to the Vendor by the Agency and of such other provisions of the contract that are affected. If such renegotiation proves unsuccessful, the contract may be terminated by the State upon written notice to the Vendor at least thirty (30) days prior to termination of this contract

As soon as possible after receipt of a written change request from the Agency, but in no event more than thirty (30) days thereafter, the Vendor shall determine if there is an impact on price with the change requested and provide the Agency a written statement to identify any price impact on the contract or to state that there is no impact. In the event that price will be impacted by the change, the Vendor shall provide a description of the price increase or decrease involved in implementing the requested change

**4.11 Invoices and Progress Payments**

The Vendor shall submit invoices, in arrears, to the Facility at the address on the face of the purchase order labeled "Invoice To" pursuant to the terms of the contract. Invoices may not be submitted more than once monthly and State law forbids payment of invoices prior to receipt of services.

**4.12 Record Retention (Access and Confidentiality)**

Vendor shall comply with all applicable Federal and State of West Virginia rules and regulations, and requirements governing the maintenance of documentation to verify any cost of services or commodities rendered under this contract by Vendor. The Vendor shall maintain such records a minimum of five (5) years and make available all records to Agency personnel at Vendor's location during normal business hours upon written request by Agency within 10 days after receipt of the request

Vendor shall have access to private and confidential data maintained by Agency to the extent required for Vendor to carry out the duties and responsibilities defined in this contract. Vendor agrees to maintain confidentiality and security of the data made available and shall indemnify and hold harmless the State and Agency against any and all claims brought by any party attributed to actions of breach of confidentiality by the Vendor, subcontractors, or individuals permitted access by Vendor

**4.13 HIPAA Agreement**

The West Virginia State Government HIPAA Business Associate Addendum (BAA), approved by the Attorney General, and available online at the Purchasing Division's web site (<http://www.state.wv.us/admin/purchase/vrc/hipaa.htm>) is hereby made part of this

agreement. Provided that, the Agency meets the definition of a Covered Entity (45 CRP § 160.103) and will be disclosing Protected Health Information (45 CFR § 160.103) to the vendor.

**4.14 Debarment and Suspension:**

Vendor will not be considered if debarred or suspended. Successful vendor must certify that no entity, agency or person associated with the vendor is debarred or suspended

**4.15 Drug Free Workplace Act of 1988:**

Successful vendor will provide a drug free workplace, and an individual shall not engage in the unlawful manufacture, distribution, dispensation, possession, abuse or use of a controlled substance in the performance of the Contract.

**4.16 Other Government Bodies**

Unless otherwise stated in the response, the vendor agrees to extend the same prices, terms and conditions to other WV DHHR entities. Each entity will be required to verify the experience level of the firm's staff offering and services to be offered with each engagement. If the vendor does not wish to extend the prices, terms and conditions to other WV DHHR entities, the vendor must clearly indicate such refusal in his bid response. Such refusal shall not prejudice the award of this contract in any way.



State of West Virginia  
 Department of Administration  
 Purchasing Division  
 2019 Washington Street East  
 Post Office Box 50130  
 Charleston, WV 25305-0130

# Request for Quotation

RFC NUMBER  
 BHS90017

PAGE  
 1

ADDRESS CORRESPONDENCE TO ATTENTION OF  
 ROBERTA WAGNER  
 304-558-0067

RFQ COPY  
 TYPE NAME/ADDRESS HERE

VARIOUS AGENCY LOCALES  
 AS INDICATED BELOW

DATE PRINTED 06/09/2008	TERMS OF SALE	SHIP VIA	FOB	FREIGHT TERMS
BID OPENING DATE: 06/26/2008		BID OPENING TIME 01:30PM		

LINE	QUANTITY	UOP	CAT NO	ITEM NUMBER	UNIT PRICE	AMOUNT
ADDENDUM NO. 1 1. QUESTIONS AND ANSWERS ATTACHED. 2. ADDENDUM ACKNOWLEDGEMENT IS ATTACHED. THIS DOCUMENT SHOULD BE SIGNED AND RETURNED WITH YOUR BID. FAILURE TO SIGN AND RETURN MAY RESULT IN DISQUALIFICATION OF YOUR BID.  EXHIBIT 10  REQUISITION NO.: BHS90017  ADDENDUM ACKNOWLEDGEMENT  I HEREBY ACKNOWLEDGE RECEIPT OF THE FOLLOWING CHECKED ADDENDUM(S) AND HAVE MADE THE NECESSARY REVISIONS TO MY PROPOSAL, PLANS AND/OR SPECIFICATION, ETC.  ADDENDUM NO.'S: NO. 1 <input checked="" type="checkbox"/> NO. 2 ..... NO. 3 ..... NO. 4 ..... NO. 5 .....  I UNDERSTAND THAT FAILURE TO CONFIRM THE RECEIPT OF TH ADDENDUM(S) MAY BE CAUSE FOR REJECTION OF BIDS.						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE <i>John R. Laxer</i>	TELEPHONE (304) 697-5700	DATE 6/26/2008
TITLE MANAGING PARTNER	FEM 37-1496963	ADDRESS CHANGES TO BE NOTED ABOVE

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'



State of West Virginia  
 Department of Administration  
 Purchasing Division  
 2019 Washington Street East  
 Post Office Box 50130  
 Charleston, WV 25305-0130

# Request for Quotation

RFQ NUMBER  
 BHS90017

PAGE  
 2

ADDRESS CORRESPONDENCE TO ATTENTION OF  
 ROBERTA WAGNER  
 304-558-0067

RFQ COPY


TYPE NAME/ADDRESS HERE

VARIOUS AGENCY LOCALES  
 AS INDICATED BELOW

S U P P L I E R

S U P P L I E R

DATE PRINTED 06/09/2008	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
BID OPENING DATE: 06/26/2008		BID OPENING TIME 01:30PM		

LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
<p>VENDOR MUST CLEARLY UNDERSTAND THAT ANY VERBAL REPRESENTATION MADE OR ASSUMED TO BE MADE DURING ANY ORAL DISCUSSION HELD BETWEEN VENDOR'S REPRESENTATIVES AND ANY STATE PERSONNEL IS NOT BINDING. ONLY THE INFORMATION ISSUED IN WRITING AND ADDED TO THE SPECIFICATIONS BY AN OFFICIAL ADDENDUM IS BINDING.</p> <p style="text-align: right;">             SIGNATURE  <b>WYFLICH &amp; STEINBERG, CPA's, PLLC</b>            COMPANY            June 26, 2008            DATE         </p> <p>REV. 11/96</p> <p>END OF ADDENDUM NO. 1</p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE 	TELEPHONE 304-697-5700	DATE 6/26/2008
TITLE MANAGING PARTNER	FEIN 37-1496963	ADDRESS CHANGES TO BE NOTED ABOVE

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'



State of West Virginia  
 Department of Administration  
 Purchasing Division  
 2019 Washington Street East  
 Post Office Box 50130  
 Charleston, WV 25305-0130

# Request for Quotation

RFQ NUMBER  
 BHS90017

PAGE  
 3

ADDRESS CORRESPONDENCE TO ATTENTION OF  
 ROBERTA WAGNER  
 804-558-0067

RFQ COPY

TYPE NAME/ADDRESS HERE

VARIOUS AGENCY LOCALES  
 AS INDICATED BELOW

VENDOR

SHIP TO

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
06/09/2008				
BID OPENING DATE: 06/26/2008		BID OPENING TIME: 01:30PM		

LINE	QUANTITY	UOP	CAT NO	ITEM NUMBER	UNIT PRICE	AMOUNT
0001	1	JB		961-20		
PROFESSIONAL ACCOUNTING & FINANCIAL MGMT. SERVICES						
***** THIS IS THE END OF RFQ BHS90017 *****						
						\$99 per hour estimated 3,350 hours <b>\$331,650</b>
						TOTAL:

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE <i>John R. Lister</i>	TELEPHONE 304) 697-5700	DATE 6/26/2008
TITLE MANAGERIAL PARTNER	FEBN 37-1496963	ADDRESS CHANGES TO BE NOTED ABOVE

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'

**BHS90017**  
**Addendum #1**

---

**To respond to vendor questions, as follows:**

Question 1: RFQ# BHS 80097 (original bid opening date of 4/8/08) included criteria for submission of "Bid and Performance Bonds" (Section 3.1). It appears that the Bid and Performance Bond criteria are not a requirement of RFQ# BHS 90017 (bid opening date of 6/26/08). Please confirm.

**Response:** Both the Bid and Performance Bond requirements have been removed and are not applicable to BHS90017.

STATE OF WEST VIRGINIA  
Purchasing Division

## PURCHASING AFFIDAVIT

**West Virginia Code §5A-3-10a states:** No contract or renewal of any contract may be awarded by the state or any of its political subdivisions to any vendor or prospective vendor when the vendor or prospective vendor or a related party to the vendor or prospective vendor is a debtor and the debt owed is an amount greater than one thousand dollars in the aggregate

**DEFINITIONS:**

"Debt" means any assessment, premium, penalty, fine, tax or other amount of money owed to the state or any of its political subdivisions because of a judgment, fine, permit violation, license assessment, defaulted workers' compensation premium, penalty or other assessment presently delinquent or due and required to be paid to the state or any of its political subdivisions, including any interest or additional penalties accrued thereon

"Debtor" means any individual, corporation, partnership, association, limited liability company or any other form or business association owing a debt to the state or any of its political subdivisions "Political subdivision" means any county commission; municipality; county board of education; any instrumentality established by a county or municipality; any separate corporation or instrumentality established by one or more counties or municipalities, as permitted by law; or any public body charged by law with the performance of a government function or whose jurisdiction is coextensive with one or more counties or municipalities "Related party" means a party, whether an individual, corporation, partnership, association, limited liability company or any other form or business association or other entity whatsoever, related to any vendor by blood, marriage, ownership or contract through which the party has a relationship of ownership or other interest with the vendor so that the party will actually or by effect receive or control a portion of the benefit, profit or other consideration from performance of a vendor contract with the party receiving an amount that meets or exceed five percent of the total contract amount.

**EXCEPTION:** The prohibition of this section does not apply where a vendor has contested any tax administered pursuant to chapter eleven of this code, workers' compensation premium, permit fee or environmental fee or assessment and the matter has not become final or where the vendor has entered into a payment plan or agreement and the vendor is not in default of any of the provisions of such plan or agreement

**LICENSING:** Vendors must be licensed and in good standing in accordance with any and all state and local laws and requirements by any state or local agency of West Virginia, including, but not limited to, the West Virginia Secretary of State's Office, the West Virginia Tax Department, West Virginia Insurance Commission, or any other state agencies or political subdivision. Furthermore, the vendor must provide all necessary releases to obtain information to enable the Director or spending unit to verify that the vendor is licensed and in good standing with the above entities.

**CONFIDENTIALITY:** The vendor agrees that he or she will not disclose to anyone, directly or indirectly, any such personally identifiable information or other confidential information gained from the agency, unless the individual who is the subject of the information consents to the disclosure in writing or the disclosure is made pursuant to the agency's policies, procedures and rules Vendors should visit [www.state.wv.us/admin/purchase/privacy](http://www.state.wv.us/admin/purchase/privacy) for the Notice of Agency Confidentiality Policies

Under penalty of law for false swearing (West Virginia Code, §61-5-3), it is hereby certified that the vendor acknowledges the information in this said affidavit and are in compliance with the requirements as stated

Vendor's Name: HAYFLICH & STEINBERG, CPAs, PLLC

Authorized Signature:  Date: 6/26/2008

**BID SCHEDULE SHEET**

The price(s) quoted in the vendor's Quotation will not be subject to any increase and will be considered firm for the life of the contract.

This will be an open-end contract, meaning quantities are not defined but are estimated. Unit costs shall be firm and include all costs in the bid response. Pricing shall be based on an all inclusive hourly rate for the services provided on this contract. All payments shall be made in arrears.

This contract will be for a one year period with the option of two (2), one (1) year renewals

**Basis of Award:**

The vendor, who meets all of the mandatory requirements for experience, and submits the lowest hourly rate, will be awarded the contract

For bid evaluation purposes only, here are the estimated hours per facility to consider, but it is in no way to be construed as the total hours to be performed or committed to by vendor or Bureau. Each facility will determine what their needs are with each engagement.

Bateman, estimated yearly usage: 900 hours  
 Sharpe, estimated yearly usage: 950 hours  
 Welch, estimated yearly usage: 1,500 hours  
 Estimated total: 3,350 hours

All travel and administrative fees/costs are to be included in your hourly rate as no separate reimbursement of expenses will occur

All inclusive hourly rate: \$ 99 x 3,350 estimated number of hours for all facilities requiring services listed herein

Grand Total (based on estimated hours for evaluation purposes) \$ 331,650

**EXPERIENCE OF VENDOR**

Vendor must provide documentation to demonstrate the following mandatory requirements are met:

- be an established Certified Public Accounting Firm with ten(10) years experience and registered with the State of West Virginia
- have at least five (5) years healthcare consulting experience.
- have at least three (3) years experience in 339 reporting
- have at least five (5) years experience Health Care Authority (HCA) reporting, including quarterly CBM-9 reports.
- have at least five (5) years experience in reimbursement regulation research.
- have at least five (5) years experience related to rate regulation

Vendor: HAYFLICH & STEINBERG, CPA's, PLLC Date: 6/26/2008

Signatory: John R. LoFoe Printed Name John R. LoFoe, CPA



STATE OF WEST VIRGINIA  
Purchasing Division

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"Debtor" means any individual, corporation, partnership, association, limited liability company or any other form or business association owing a debt to the state or any of its political subdivisions "Political subdivision" means any county commission; municipality; county board of education; any instrumentality established by a county or municipality; any separate corporation or instrumentality established by one or more counties or municipalities, as permitted by law; or any public body charged by law with the performance of a government function or whose jurisdiction is coextensive with one or more counties or municipalities "Related party" means a party, whether an individual, corporation, partnership, association, limited liability company or any other form or business association or other entity whatsoever, related to any vendor by blood, marriage, ownership or contract through which the party has a relationship of ownership or other interest with the vendor so that the party will actually or by effect receive or control a portion of the benefit, profit or other consideration from performance of a vendor contract with the party receiving an amount that meets or exceeds five percent of the total contract amount

**EXCEPTION:** The prohibition of this section does not apply where a vendor has contested any tax administered pursuant to chapter eleven of this code, workers' compensation premium, permit fee or environmental fee or assessment and the matter has not become final or where the vendor has entered into a payment plan or agreement and the vendor is not in default of any of the provisions of such plan or agreement

**LICENSING:** Vendors must be licensed and in good standing in accordance with any and all state and local laws and requirements by any state or local agency of West Virginia, including, but not limited to, the West Virginia Secretary of State's Office, the West Virginia Tax Department, West Virginia Insurance Commission, or any other state agencies or political subdivision. Furthermore, the vendor must provide all necessary releases to obtain information to enable the Director or spending unit to verify that the vendor is licensed and in good standing with the above entities

**CONFIDENTIALITY:** The vendor agrees that he or she will not disclose to anyone, directly or indirectly, any such personally identifiable information or other confidential information gained from the agency, unless the individual who is the subject of the information consents to the disclosure in writing or the disclosure is made pursuant to the agency's policies, procedures and rules Vendors should visit [www.state.wv.us/admin/purchase/privacy](http://www.state.wv.us/admin/purchase/privacy) for the Notice of Agency Confidentiality Policies.

Under penalty of law for false swearing (West Virginia Code, §61-5-3), it is hereby certified that the vendor acknowledges the information in this said affidavit and are in compliance with the requirements as stated

Vendor's Name: HAYFLICH & STEINBERG, CPAs, PLLC

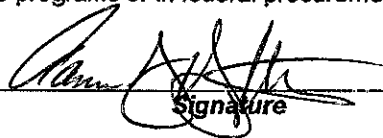
Authorized Signature: \_\_\_\_\_

Date: 6/26/2008

# West Virginia Department of Health & Human Resources FEDERAL PROGRAM PARTICIPATION ACKNOWLEDGMENT, AUTHORIZATION, CONSENT, AND RELEASE

No person who is currently excluded, debarred, suspended, or otherwise ineligible to participate in federal health care programs or in federal procurement or non-procurement programs shall be hired by the West Virginia Department of Health and Human Resources

I am  am not  currently excluded, debarred, suspended, or otherwise ineligible to participate in federal health care programs or in federal procurement or non-procurement programs.

  
Signature

6/26/2008  
Date

I authorize and consent to a background check by the West Virginia Department of Health and Human Resources specifically to determine whether I am currently excluded, debarred, suspended, or otherwise ineligible to participate in federal health care programs or in federal procurement or non-procurement programs. If hired, I also agree to periodic conduct of additional such background checks during the course of employment by the West Virginia Department of Health and Human Resources.

I release any persons and the West Virginia Department of Health and Human Resources and its agents, officials, representatives, employees, officers, or related personnel both individually and collectively, from any and all liability for damages of any kind that may result because of compliance with this acknowledgment and authorization.

For positive identification purposes, the following information is required when conducting a background check. This information is confidential and will not be used for any other purposes (please print):

Name HEIGATON AARON J.  
last name first name middle initial

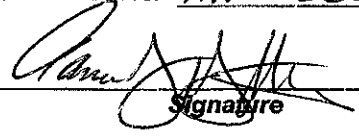
Maiden/Other Names \_\_\_\_\_  
(This should include other married names by which you have been known.)

Current Address 1203 PENOBSCOT TRL FRONTON OH  
street/box# city state

**NOTE: Your social security card must be presented for verification purposes.**

Social Security # 291-64-3891 Date of Birth 05/05/73  
month/day/year

Driver's License Number RH 352636 State of Issue OH

  
Signature

6/26/2008  
Date

**EMPLOYING UNIT INFORMATION**  
Office/Facility/Region/District \_\_\_\_\_ Contact Person \_\_\_\_\_  
Fax Number \_\_\_\_\_ Phone Number \_\_\_\_\_

**FOR OPS USE ONLY**  
HHS Match Outcome  Positive  Negative  
CSA Match Outcome  Positive  Negative Initial \_\_\_\_\_ Date \_\_\_\_\_

WEST VIRGINIA  
STATE TAX DEPARTMENT

WV/BRT-802  
Rev 7/04

WEST VIRGINIA BUSINESS LOCATION ADDRESS

SAME

**BUSINESS REGISTRATION CERTIFICATE**

FOR YEAR BEGINNING JULY 1, 2006

ENDING JUNE 30, 2008



WEST VIRGINIA MAILING ADDRESS

HAYFLICH & STEINBERG <sup>032789</sup> CPAS  
PLLC  
ATTN JOHN R LAFEAR  
8 STONECREST DR  
HUNTINGTON WV  
25701

This business registration certificate is issued by the West Virginia  
Commissioner in accordance with Chapter 11 Article 12 of the W  
Virginia Code. The person or organization identified on this certificat  
registered to conduct business in the State of West Virginia at the loca  
listed:

SEE REVERSE SIDE



WORKERS COMPENSATION AND EMPLOYERS LIABILITY POLICY

INFORMATION PAGE WC 00 00 01 (A)

RENEWAL OF POLICY NUMBER: WC10025945-04
POLICY NUMBER: WC10025945-05

INSURER: BRICKSTREET MUTUAL INSURANCE COMPANY

1. INSURED: HAYFLICH & STEINBERG CPAS PLLC
8 STONECREST DRIVE
HUNTINGTON WV 25701-0000

PRODUCER: INSURANCE SYSTEMS INC
ONE INSURANCE WAY
ONA WV 25545

Insured is a(n) LLC

Other work places and identification numbers are shown in the schedule(s) attached.

2. The policy period is from 04/01/2008 to 04/01/2009 12:01 A.M at the insured's mailing address.

3. A. WORKERS COMPENSATION INSURANCE: Part One of the policy applies to the Workers Compensation Law of the state(s) listed here:

WEST VIRGINIA

B. EMPLOYERS LIABILITY INSURANCE: Part Two of the policy applies to work in each state listed in item 3.A. The limits of our liability under Part Two are:

Table with 3 columns: Injury Type, Amount, and Limit/Employee. Rows include Bodily Injury by Accident (\$100,000 Each Accident), Bodily Injury by Disease (\$500,000 Policy Limit), and Bodily Injury by Disease (\$100,000 Each Employee).

C. OTHER STATES INSURANCE: Part Three of the policy applies to the states, if any, listed here:

See West Virginia Limited Other States Insurance Endorsement WC 99 03 05

D. This policy includes these endorsements and schedules:

SEE LIST OF ENDORSEMENTS - EXTENSION OF INFORMATION PAGE

4. The premium for this policy will be determined by our Manuals of Rules, Classifications, Rates and Rating Plans. All required information is subject to verification and change by audit to be made in accordance with Part Five of the Policy.

DATE OF ISSUE: 03/03/2008
ISSUING OFFICE: Charleston, WV
PRODUCER: INSURANCE SYSTEMS INC

# CAMICO®

MUTUAL INSURANCE COMPANY

## DECLARATIONS

### ACCOUNTANTS PROFESSIONAL LIABILITY INSURANCE POLICY

Policy Number: WVL00929-06

Effective Date: 01/10/2008 at 12:01 A M Standard time at the address shown below  
Expiration Date: 01/10/2009 at 12:01 A M Standard time at the address shown below  
Retroactive Date: 03/05/1980

Item 1 - Named Insured: Hayflich and Steinberg, CPA's, PLLC

Item 2 - Business Address: 8 Stonecrest Drive

Huntington, WV 25701-9391

Item 3 - Limits of Liability: \$3,000,000 Per Claim  
\$3,000,000 Policy Aggregate

Item 4 - Deductibles: \$25,000 Per Claim Deductible

Item 5a - Total Premium: \$29,087.00

Item 5b - State Tax: \$159.98

Item 5c - Total Amount: \$29,246.98

Item 6 - The policy consists of this Declarations page, and the following policy forms and endorsements:

PL-1000-A Accountants Professional Liability Insurance Policy  
PL-2029-A (WV) State Endorsement - West Virginia  
PL-1004-A Dollar One Defense Endorsement  
PL-1026-A Limited Coverage for Known Claims  
PL-1016-A Special Exclusion Endorsement  
PL-1016-A Special Exclusion Endorsement - Insurance Agent or Broker  
PL-1016-A Special Exclusion Endorsement - Registered Investment Advisor  
PL-1016-A Special Exclusion Endorsement - Securities Broker or Dealer  
PL-1032-A Additional Insured Endorsement

**NOTICE OF TERRORISM INSURANCE COVERAGE:** Coverage for acts of terrorism as defined under the Terrorism Risk Insurance Act of 2002 ("TRIA") is already included in your current policy. You should know that, effective November 26, 2002, under your existing coverage, any losses caused by certified acts of terrorism would be partially reimbursed by the United States under a formula established by federal law. Under this formula, the United States pays 90% of covered terrorism losses exceeding the statutorily established deductible paid by CAMICO Mutual Insurance Company. The portion of your annual premium that is attributable to coverage for acts of terrorism is: \$0.

**PLEASE READ THESE DECLARATIONS, THE POLICY AND ENDORSEMENTS CAREFULLY.**

CAMICO Mutual Insurance Company



Authorized Representative

 **OLSEN THIELEN & Co., LTD.**  
*Certified Public Accountants & Consultants*

To the Members  
Hayflich & Steinberg, CPA's, PLLC

We have reviewed the system of quality control for the accounting and auditing practice of Hayflich & Steinberg, CPA's, PLLC (the firm) in effect for the year ended June 30, 2007. A system of quality control encompasses the firm's organizational structure, the policies adopted and procedures established to provide it with reasonable assurance of conforming with professional standards. The elements of quality control are described in the Statements on Quality Control Standards issued by the American Institute of CPAs (AICPA). The firm is responsible for designing a system of quality control and complying with it to provide the firm reasonable assurance of conforming with professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance with its system of quality control based on our review.

Our review was conducted in accordance with standards established by the Peer Review Board of the AICPA. During our review, we read required representations from the firm, interviewed firm personnel and obtained an understanding of the nature of the firm's accounting and auditing practice, and the design of the firm's system of quality control sufficient to assess the risks implicit in its practice. Based on our assessments, we selected engagements and administrative files to test for conformity with professional standards and compliance with the firm's system of quality control. The engagements selected represented a reasonable cross-section of the firm's accounting and auditing practice with emphasis on higher-risk engagements. (The engagements selected included among others, audits of Employee Benefit Plans, and engagements performed under *Government Auditing Standards*. Prior to concluding the review, we reassessed the adequacy of the scope of the peer review procedures and met with firm management to discuss the results of our review. We believe that the procedures we performed provide a reasonable basis for our opinion.

In performing our review, we obtained an understanding of the system of quality control for the firm's accounting and auditing practice. In addition, we tested compliance with the firm's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of the firm's policies and procedures on selected engagements. Our review was based on selected tests therefore it would not necessarily detect all weaknesses in the system of quality control or all instances of noncompliance with it. There are inherent limitations in the effectiveness of any system of quality control and therefore noncompliance with the system of quality control may occur and not be detected. Projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or because the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the system of quality control for the accounting and auditing practice of Hayflich & Steinberg, CPA's, PLLC in effect for the year ended June 30, 2007 has been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA and was complied with during the year then ended to provide the firm with reasonable assurance of conforming with professional standards.

*Olsen Thielen & Co., Ltd.*

St. Paul, Minnesota  
October 24, 2007