***PURCHASE OF SERVICE (POS)***

***ADMINISTRATIVE/FINANCIAL PRE-QUALIFICATION INSTRUCTIONS FOR***

***POTENTIAL NEW POS PROVIDERS***

***Updated September 2024***

*These instructions are for use with the Administrative/Financial Pre-Qualification Form which is accessible on the Department of Developmental Services (DDS) POS web site*  [DDS Contracts Information | Mass.gov](https://www.mass.gov/lists/dds-contracts-information) *DDS will only accept required documentation electronically.* ***Documents mailed or dropped off in person will not be accepted.***

# Overview

While the Request For Response (RFR) process evaluates the programmatic capabilities of bidders proposing to provide contracted human services to the Department of Developmental Services (DDS) there are also numerous federal and state administrative requirements surrounding the expenditure of public funds with which the Department and their contracted and subcontracted service provider organizations must comply. This “Qualification” review is used to evaluate the bidder’s administrative and financial capabilities to assume these responsibilities and to ensure that various contracting administrative preconditions are fulfilled.

While completion of the provider administrative and financial qualification process for new providers is required before a RFR response uploaded to COMMBUYS can be evaluated, it is a distinct and separate process.

Potential new providers are encouraged to review Guidance and Policies Specific to Human and Social Services including [808 CMR 1.00 Compliance, Reporting and Auditing for Human and Social Services](https://www.mass.gov/regulations/808-CMR-100-compliance-reporting-and-auditing-for-human-and-social-services). To familiarize themselves with the State financial reporting requirements, new potential providers should also visit the OSD web site [File My Uniform Financial Report (UFR)](https://ufr.osd.state.ma.us/)

# FINANCIAL QUALIFICATION FORM INSTRUCTIONS

*The following instructions have been structured to be read on a step-by-step basis while completing the PDF Administrative/Financial Pre-Qualification Form. If necessary, please contact the Department for assistance at DDSPOSPROCUREMENT@MASS.GOV*

## SCOPE OF SUBMISSION

If the potential new provider is in any way associated with an existing organization holding human or social service contracts with any Commonwealth Department, please complete the Supplement to the Administrative/Financial Pre-Qualification Form for each affiliated organization and include with the first two pages.

**RESPONDING TO (RFR/BID) #**

Type in RFR/BID ID and name that appears on cover page of BID/RFR. Until an Administrative/Financial Qualification status is assigned, an evaluation team composed of DDS staff, will not review a provider’s proposal/quote that has been uploaded to COMMBUYS.

New providers are strongly encouraged to read each RFR/BID carefully as the RFR/BID may have additional standards that respondents must meet in addition to being administratively/financially pre-qualified.

* Adult Long Term Residential new providers must be: 1) Unconditionally financially prequalified and 2) Meet one of the following:
  + 1) Contracted and licensed by DDS to provide residential services, 2) Contracted and licensed by DDS to provide Shared Living, In Home Supports or Community Based Day Supports, 3) Special Education Residential School, or 4) Residential, group home or shelter provider for another state agency.
* Shared Living respondents must be unconditionally financially pre-qualified which requires the submission of a financial audit/review by an outside auditor.

## I. INFORMATION FOR PRIMARY ORGANIZATION

**Primary Organization Name**: Enter the name of the primary organization using the legal name. Do not enter the DBA name.

**FEIN/TIN:** Federal Employer Identification Number – a.k.a. “Tax Identification Number”.

**Organization Type**: Select the applicable category from Non-profit or For-profit

**Organization Type - Secondary**: Select the applicable category **Corporation, LLC, Partnership, Sole Proprietorship, or Other. If you choose Other, provide a description of your organization type.**

**Organization’s Information**: Complete all fields:

* Chief Executive or Financial Officer (First and Last Name)
* Chief Executive Officer (First and Last Name)
* Street Address (Number/Street, City, State, Zip)
* Contact Person (First and Last Name) ***\*\*Type “SAME” if the contact person is the Chief Financial Officer***
* Contact Title ***\*\*Type “SAME” if the contact person is the Chief Financial Officer***
* Contact Telephone #
* Contact Email Address

## SUBMISSION MATERIALS

1. **Required Documentation**

This section of documents is required for submission. The information provides proof of your established business, and that business has been in operations for at least three months providing services or has access to financial resources to provide services to DDS individuals.

If any documents are missing, DDS will not be able to review the application.

**Documents Required at Submission**

## a) Federal Employer Identification Number (FEIN) Documentation / W-9

Please enclose documentation of the organization’s FEIN (e.g., IRS notification letter) along with the **W-9** Form

## b) Articles of Organization

The services and activities of the provider must be within the scope allowed by governance documents.

## c) Board/Principals Information

Submit a copy of the most recent Secretary of State, Corporations Division, Annual Report.

Resumes are also required for principals (e.g., Chief Executive Officer and Chief Fiscal/Administrative Officer) of the organization (and, if applicable, any commonly controlled/affiliated entities). Note that this submission requirement is distinct from any requirements for staff resumes that may appear in the RFR posted on COMMBUYS.

## d) Organizational Chart

Potential new providers must submit an organizational chart displaying the overall structure of the organization. New providers should note positions that are vacant on the organizational chart

The information must cover any commonly controlled/affiliate organization, related party, significant subcontract, management service and assignment relationships for all involved entities, not just those entities directly providing contracted services to the Commonwealth. This requirement is distinct from any RFR requirements that may call for submission of programmatic organizational structure information as part of the RFR response.

1. **Financial Documentation**

**Has your organization been in business for 12 months or more?**

* Include how long the organization has been providing services
* Submit Tier 1 documentation
* Submit Tier 2 documentation

**Tier 1:**

* Submit copy of most recently completed financial statements and the fiscal year end date. Providers seeking an Unconditional Financial Qualification status must submit electronically financial statements completed by an outside auditor/accountant.

**Tier 2:**

* Line of Credit, or
* Financial and Assets for the last 3 months in the Name of the Organization, e.g., bank statements, P&L statements, assets reports, etc. Statements must demonstrate that the new provider has a history processing transactions for services (income received and covering cost of providing service) and has sufficient financial resources to cover the cost of services for at least three months. **Please note: DDS will not accept personal bank statements, etc., as evidence of the financial strength of a new organization.**

## II. RELATED PARTY DISCLOSURE CERTIFICATION

OSD regulations (808 CMR 1.04(4)) and state law require prior notification to OSD and purchasing agencies of related party arrangements. *OSD Related Party regulations follow FASB 57 standards, which very broadly define “control” to include indirect control, and situations where inter-organizational transactions may be absent. The regulatory definition of "related parties" is substantially broader than the approach commonly used by organizations for IRS tax purposes and failure to comply with prior disclosure requirements may result in payment penalties or other action.* Guidance materials appear in the OSD/UFR package, which may be obtained, along with the regulations, from the OSD web site at [File My Uniform Financial Report (UFR)](https://www.mass.gov/file-my-uniform-financial-report-ufr).

## III. FEDERAL DISCLOSURE, TAX AND OTHER COMPLIANCE CERTIFICATION

The representative formally authorized to execute contracts with the Commonwealth must complete this certification by signing in the Authorized Signature field. If you have any question regarding the certification requirement, please contact the Department. Note that purchasing agencies are barred by statute from contracting with entities that are out of compliance with tax filing and payment requirements. If your organization falls out of compliance with tax filing and payment requirements while it is contracting with the Commonwealth, purchasing agencies may have no legal alternative to immediate contract termination.

## SUPPLEMENTAL FORM TO FINANCIAL QUALIFICATION FORM

This Form is used to record information for any child/affiliate POS contracting organizations (e.g., subsidiaries) included in the qualification review. See **Section I. Information for Primary Organization** for completion guidance.

**The completed forms and required back up documentation should be emailed to: DDSPOSPROCURMENT@mass.gov**

# OTHER INFORMATION

## Review and Assignment of Financial Qualification Status for New POS Providers

The Department’s qualification staff will review the submission for financial/administrative condition and other risk factor issues and assign one of the following statuses:

* **Limited Qualification**: The organization, including affiliates, has provided limited information. The limited status will impact a new provider’s ability to be considered to provide specific services. Statuses include:
  + Limited up to $100,000, or
  + Limited up to $250,000
* **Unconditional Qualification**: The organization is in satisfactory financial condition and no audit or other restrictions apply;
* **Not Financially Qualified:** The organization has not met qualification requirements or materials were fundamentally incomplete.

The Department will complete review and assignment of status in three weeks once a complete package is received. A Department representative will email written notice of assigned status to the provider and the DDS Procurement staff. If a provider emails an incomplete package, the Department will not be able to review the submission and the Not Financially Qualified status will be assigned. The provider can resubmit at a later date.

**Review and Assignment of Status for New Providers**

Proposals uploaded by potential new providers will not be evaluated until the provider is administratively/financially prequalified. If the BID/RFR is a competitive procurement, this may disqualify a new provider.

**What happens if information changes after the provider has been qualified?**

A qualification status remains valid for twelve months from the date of notification.