PARISH HOSPITAL SERVICE DISTRICT FOR THE PARISH OF ORLEANS – DISTRICT “A”

REQUEST FOR QUALIFICATIONS AND COST PROPOSAL

HOSPITAL CONSULTING AND BUSINESS PLAN SERVICES

The Parish Hospital Service District for the Parish of Orleans – District “A” (“HSD”) is soliciting qualifications and proposals from qualified hospital consultants or consulting firms to review the operations and provide a recommended business plan, for New Orleans East Hospital located at 5620 Read Boulevard, New Orleans, Louisiana 70127 (the “Hospital”).

PART ONE: PROPOSED SCOPE OF SERVICES AND DELIVERABLES

The HSD seeks the services of qualified individuals or firms to conduct an analysis of the operations, organization, management and governance and provide a recommended business plan for the future viability of the Hospital. The scope of work may include, but is not limited to:

1) facilitating a meeting with HSD to understand the current operations of the Hospital, reviewing historical Hospital services and utilization trends, and recommending a plan or plans for sustained operations and enhanced revenues;

2) reviewing demographic trends in Orleans Parish and in particular New Orleans East, as well as current acute care utilization rates and patient migration patterns in the region and providing an analysis of major factors contributing to the Hospital’s current financial situation;

3) reviewing and evaluating strategies for growth and development of the Hospital medical staff;

4) reviewing and evaluating business development and market strategies including, but not limited to:
   a. existing business plans, feasibility study and consultant reports;
   b. clinical affiliations;
   c. identification of threats and opportunities to existing and potential service offerings;
   d. current market for current and potential service offerings;
   e. clinical resource management and quality monitoring;
   f. management and productivity of the surgery schedule; and
   g. overall customer service performance/satisfaction.

5) reviewing management, operations, and leadership;

6) reviewing operations and expense management including labor cost management, supply and non-labor cost management and outsourcing opportunities;

7) reviewing financial effectiveness and efficiency of revenue cycle, managed care payor analysis (e.g. inclusion, actual to expected payment analysis, profitability analysis, etc.);

8) reviewing of capital issues including inventory of capital requirements and information relevant to strategic and capital planning processes;

9) developing a model to project future demand for the services offered by the Hospital, and providing projections for inpatient care, surgery, ED, imaging, and a multi-specialty physician clinic;
10) developing a financial model to sustain operations of the Hospital, including:
   a. estimated capital and resource requirements to develop the multi-specialty physician clinic;
   b. documenting key financial and operating assumptions.
   c. developing projections of cost savings and/or revenue increases resulting from the development of a multi-specialty physician clinic at the Hospital or alternative revenue generating plan; and
   d. preparing a projected timeline for realization of the cost savings and/or revenue enhancements.

11) preparing and analyzing cash flow assessments, balance sheets and income statements for a minimum period of five (5) years.

12) providing estimates of revenues based on:
   a. number and types of inpatient services offered and used;
   b. number and types of outpatient services offered and used; and
   c. payer mix.

13) conducting an analysis of the recurrent costs of the Hospital when fully staffed based upon a bed capacity of 60 and cost per hospital day of stay based upon a bed capacity of 60, or such lesser bed capacities as directed by the HSD.

14) documenting all major assumptions that support the plan, demand and projections.

15) providing an analysis of the affordability and sustainability of the Hospital based upon recurrent costs, the implementation of an operational plan or plans to achieve cost savings and/or revenue enhancements, and other factors, as appropriate.

The deliverables produced as a result of the above analysis by the successful proposer shall consist of the issuance of a report detailing the findings and conclusions, recommendations to improve the Hospital’s profitability and cash reserves through operational and strategic actions, the development and implementation of a recommended financial turnaround plan and a tracking/monitoring document for routine reporting processes.

PART TWO: PROPOSALS

Contents of Proposal
Proposers should letter and number their proposal exactly as presented herein and must contain the following:

1. Introduction (transmittal letter)
2. Background and Experience
3. Specialized Knowledge/Personnel
4. Approach and Schedule
5. Cost

Proposers must also submit Exhibit A, Consultant Certification, to proposals.

1. Introduction (transmittal letter)

By signing the letter and/or offer, the Proposer certifies that the signatory is authorized to bind the Proposer. The proposal must include:
a. a brief statement of the proposer’s understanding of the scope of the work to be performed;

b. a confirmation that the proposer meets the appropriate state licensing requirements to practice in the State of Louisiana, if applicable;

c. a confirmation that the proposer has not had a record of substandard work within the last five (5) years;

d. a confirmation that the proposer has not engaged in any unethical practices within the last five (5) years;

e. any other information that the Proposer feels appropriate;

f. the signature of an individual who is authorized to make offers of this nature in the name of the Proposer submitting the proposal.

2. Background and Experience (30 points)

Proposers must:

a. describe Proposer’s firm by providing its full legal name, date of establishment, type of entity and business expertise, short history, current ownership structure and any recent or materially significant proposed change in ownership.

b. describe any prior engagements in which Proposer’s firm assisted a governmental entity in dealings with start-up hospitals. Proposer should include all examples of work on projects similar in scope to the Hospital. Proposer should provide a list of ongoing and/or completed projects and disclose any conflicts of interest or other engagements with acute health care providers in Orleans, Jefferson, St. Tammany, and St. Bernard Parishes in the State of Louisiana.

c. describe any issue the characteristics of which would be uniquely relevant in evaluating the experience of Proposer’s firm to handle the proposed project.

d. provide current information on professional errors and omissions coverage carried by Proposer’s firm, including amount of coverage.

3. Specialized Knowledge/Personnel (30 points)

Proposers must have:

a. experience with start-up hospitals, preferably in Louisiana and particularly in the southeastern United States. Describe the Proposer’s experience in the last five (5) years with projects involving acute care hospital facilities and HUD 242 insured mortgage loans that were of similar scope, similar to the Hospital. Provide the following:

- project name, location, description, size, and cost
- date
- owner (include address and telephone number)
- services performed by the Proposer or persons currently employed by the Proposer as well as the Proposer’s office performing the work (if applicable)
b. hospital experience in the last five (5) years in any projects involving acute care hospital facilities of similar scope, similar to the Hospital. Provide the following:

- project name, location, description, size, and cost
- date
- owner (include address and telephone number)
- services performed by the Proposer or persons currently employed by the Proposer as well as the Proposer’s office performing the work (if applicable)

c. experience with market analysis and financial feasibility studies for acute care hospitals, particularly start-up hospitals. Provide the following:

- project name, location, description, size, and cost
- date
- owner (include address and telephone number)
- services performed by the proposer or persons currently employed by the Proposer as well as the Proposer’s office performing the work (if applicable)

Proposers must also:

a. submit a detailed organizational chart identifying the individuals whom the Proposer proposes to perform the services required under the engagement. Any firms or individuals proposed to be subcontracted to the Proposer shall be clearly noted as such.

b. for each key person identified by the Proposer, the following information should be provided in resume format:

- name and title
- project responsibilities and roles
- educational background
- professional registrations and memberships
- years of relevant experience

c. identify the required services that you intend to subcontract, if any. Any firms or individuals proposed to be subcontracted shall be named and clearly noted as such.

4. Approach and Schedule (25 points)

Proposers must clearly describe the unique approach, methodologies, knowledge and capability to timely perform the scope of services within a period not to exceed forty-five (45) days post-engagement. Present innovative concepts, approaches, and methodologies, if any, not discussed herein. Demonstrate your firm’s and your team’s ability and commitment to working with the HSD project team to ensure timely, quality deliverables for the project. The HSD project team will include legal counsel, HUD 242 lender/investment banker, staff, board representation and others as deemed necessary by the HSD.

5. Cost (15 points)

Provide a fee for preparation and delivery of the analysis and report based upon the scope of services requested herein and any data to be provided by the HSD and its consultants. If any services listed in the scope are not considered as a part of your basic services, please identify and provide estimated fees for such
services, and identify if these services will be provided internally or by a sub-consultant. Additionally, provide hourly rates, if applicable, and an estimate of reimbursable expenses per job classification.

**Summary of Evaluation Criteria:**

- Background and Experience .......................................................... 30 Pts.
- Specialized Knowledge/Personnel .................................................. 30 Pts.
- Approach and Schedule .................................................................. 25 Pts.
- Cost ................................................................................................. 15 Pts.
- TOTAL ............................................................................................. 100 Pts.

**PART THREE: GENERAL AND ADMINISTRATIVE MATTERS**

**Schedule of Events:**

- Friday, October 7, 2016 at 10:00AM ......................... RFP Available
- Friday, October 14, 2016 by 1:00PM ....................... Deadline for Proposers to submit questions
- Wednesday, October 19, 2016 by 4:00PM ........ Deadline for HSD to respond to questions
- Monday, October 24, 2016 by 1:00PM ..................... Deadline to submit proposals

All times referenced herein are based on the central time zone. The HSD reserves the right to adjust the schedule upon notice.

Proposals will be received by the HSD on Monday, October 24, 2016 at 1:00PM. Any proposal received after deadline shall be rejected. The HSD reserves the right to reject any or all proposals.

All Proposals should be sealed and identified on the outside as:

- Proposal for Hospital Consulting and Business Plan Services
- [Proposer Name]
- [Address]
- [Telephone number]
- [Contact Person and phone/email]

Proposers must one (1) signed original and one (1) electronic version of the proposal before 1:00PM, October 24, 2016.

Sealed proposals are to be delivered to:

- Takeisha C. Davis, MD, MPH
  - Chief Executive Officer – New Orleans East Hospital
  - 5620 Read Boulevard
  - New Orleans, Louisiana 70127

Questions concerning this RFP should be addressed in writing to Dante Green, Assistant Vice President of Operations, via email at dante.green@noehospital.org no later than 1:00PM on Friday, October 14, 2016.

All notices, clarifications, addenda and responses to questions submitted regarding this RFP shall be issued no later than 4:00PM on Wednesday, October 19, 2016.

The HSD, in its discretion, may interview one or more proposers as part of its evaluation process. The selection of finalist to be interviewed, if any is required, will be based on an evaluation of the written
proposal. The award will be made to the most qualified firm whose proposal is deemed most advantageous to the HSD, all factors considered.

Proposers acknowledge and agree, by submitting a proposal, there shall be no challenge by any legal process to the choice of the successful proposer except for fraud, bias for pecuniary or personal reasons not related to the taxpayers' interest, or arbitrary and capricious selection by the HSD. By submitting a proposal, proposers hereby expressly consent to the exclusive jurisdiction of the Civil District Court for the Parish of Orleans, State of Louisiana as the sole authority to resolve any and all disputes, controversies or challenges in any way related to this RFP or contract award by the HSD in the event the parties are unable to first resolve such controversy through informal discussions.

The work to be performed is subject to the requirements of the United States Department of Housing and Urban Development (“HUD”), State of Louisiana, Division of Administration, Office of Facility Planning and Control; Age Discrimination Act of 1975; Section 504 of the Rehabilitation Act of 1973; Title VI of the Civil Rights Act of 1964; Presidential Executive Order 11246 (Executive Order 11246) of September 24, 1965; Clean Air and Water Act; Davis-Bacon Act; Section 3; Anti-Kickback Act and any other rules, regulations and relevant orders of the Secretary of Labor, federal government or State of Louisiana all of which shall become contractual obligations. Failure of the successful proposer to accept these obligations shall result in the rejection of the proposal.

The nature of this engagement and any and all work product and deliverables provided under an engagement shall constitute a strategic business plan of the HSD, shall not be public record, shall be confidential, and exempt from the provisions of La. Rev. Stat. Ann. §44:1 et seq. or any other law to the contrary.

Anyone who requires special assistance to participate in this solicitation should contact Dante Green, Assistant Vice President of Operations, by email at dante.green@noehospital.org as soon as possible, but not later than seven (7) days before the deadline to submit proposals.

**Exhibits**

Exhibit A.........Consultant Certification
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Consultant Certification

I, ________________________________, in my capacity as ________________________________, of ________________________________, am authorized to, and do hereby, certify the following:

A. Our firm has recent experience preparing financial forecasts for hospitals. Recent experience is defined as the preparation of a study for a hospital dated within three years prior to the date of the consultant’s proposal to perform this study (particulars, including dates of performance, are included herewith).

B. Our firm presently has the resources and capacity (i.e. experienced personnel and information systems) that would enable it to conduct the study in accordance with the standards in this certification and as further amplified in the Section 242 Guidelines (particulars are included herewith).

C. Our firm is independent from the Hospital in accordance with the standards of independence as set forth by the AICPA, the State Board of Accountancy, and Generally Accepted Governmental Auditing Standards (Yellow Book requirements).

D. There is no identity of interest between our firm and the Hospital. No identity of interest is defined as follows: The consultant firm or any principal or partner within the firm shall have no pecuniary or personal interest in the Hospital or with any director, officer, principal, or person who is more than a 10% shareholder of the Hospital, its mortgagee, or any other party in the loan transaction. The firm or any principal or partner of the firm may not serve as a director, officer, partner, or employee of the Hospital or its mortgagee. The consultant firm shall not represent an investing lender or investor in the Hospital, any bridge lender in the loan transaction, or any lender with commitment to purchase the loan. Pecuniary or personal interest does not include an interest that is the same as any member of the general public would have.

By: ________________________________

Name: ________________________________

Title: ________________________________

Company: ________________________________

Date: ________________________________