

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

REQUEST FOR QUALIFICATIONS AND COST PROPOSAL

HOSPITAL OPERATIONS 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 operations 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”).

SECTION ONE
BACKGROUND

The HSD is a political subdivision of the State of Louisiana, created by Act No. 830 of the 2006 Regular Session of the Louisiana Legislature, which has been codified as La. Rev. Stat. Ann. §46:1094 through §1097. The HSD possesses all of the general powers, duties, functions and responsibilities of a Louisiana hospital service district pursuant to La. Rev. Stat. Ann. §46:1051 et. seq.

The Hospital opened on July 11, 2014 and consists of a 6-story east tower and 3-story Patient Care Pavilion. The east tower is approximately 133,640 square feet and consists of: 1st floor – public and administrative spaces; 2nd floor – 14 bed Intensive Care Unit, 10 bed Intermediate Care Unit; 3rd floor – 7 bed Universal Care Unit, outpatient diagnostic services, clinical lab and pharmacy; 4th floor – 26 bed Medical/Surgical Unit; 5th floor – 20 bed Medical/Surgical Unit; and 6th floor – Cardiac Rehab, Physical, and Occupational Therapy Facility and Fitness Center. The Patient Care Pavilion is approximately 71,740 square feet and consists of: 1st floor – public, administrative and support spaces; 2nd floor – 21 bed Emergency Department, 10 bed Pediatric Medical/Surgical Unit, and Imaging Suite; 3rd floor – 7 bed Post Anesthesia Care/Recovery Unit, 4 Operating Suites, 1 Cath Lab, 2 Endoscopy Suites, and Central Sterile facilities. A multi-specialty clinic is currently under construction on the 6th floor of the Hospital. The Hospital provides complete surgical services, diagnostic imaging, laboratory, emergency services, patient education and social services to both the inpatient and outpatient environments.

SECTION TWO
PROPOSED SCOPE OF SERVICES AND DELIVERABLES

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

1. reviewing historical Hospital operations, services and utilization trends, and recommending a plan or plans for sustained operations and generating alternative and enhanced revenues;
2. reviewing demographic trends in that portion of Orleans Parish east of the Industrial Canal, current acute care utilization rates and patient migration patterns in the southeastern region of Louisiana, 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 studies and consultant reports;
 - b. clinical affiliations;
 - c. identifying threats and opportunities to existing and potential service offerings;
 - d. markets for current and future service offerings;
 - e. clinical resource management and quality monitoring;
 - f. management and productivity of the Hospital's surgery schedule; and
 - g. overall performance and customer service satisfaction.
5. reviewing organizational management and leadership;
6. reviewing expense management including labor costs, supply, non-labor, and outsourcing opportunities;
7. reviewing financial effectiveness and efficiency of revenue cycle;
8. analyzing managed care payors (e.g., inclusion, actual to expected payment analysis, profitability analysis, etc.);
9. reviewing of capital issues including, but not limited to, inventory of assets, capital requirements and information relevant to strategic and capital planning processes;
10. developing a model to project future demand for the services offered by the Hospital and providing projections and an analysis for inpatient care, surgery, ED, imaging, and a multi-specialty physician clinic;
11. developing a financial model to sustain operations of the Hospital, including but not limited to:
 - 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; and
 - d. preparing a projected timeline for realization of the cost savings and/or revenue enhancements of the multi-specialty clinic.
12. preparing and analyzing cash flow assessments, balance sheets and income statements for a minimum period of five (5) years.
13. 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.
14. conducting an analysis of the recurrent costs of the Hospital when fully staffed based upon a bed capacity of 60, and/or such lesser bed capacities as directed by the HSD.
15. documenting all major assumptions that support the plan, demand and projections.

16. 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.

SECTION THREE

CONTENT OF PROPOSALS AND EVALUATION CRITERIA

Contents of Proposal

Proposers should arrange proposals as presented herein. Proposals should contain the following:

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

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 has not had a record of substandard work within the last five (5) years;
- c. a confirmation that the proposer has not engaged in any unethical practices within the last five (5) years;
- d. any other information that the Proposer feels appropriate; and
- e. 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 (25 points). Proposers must:

- a. describe its 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 changes in ownership over the past five (5) years;
- b. describe any prior engagements in which the 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 characteristics of the firm which would be uniquely relevant in evaluating the experience of Proposer's firm to handle the proposed project; and
- d. provide current information on professional errors and omissions coverage carried by Proposer's firm, including the amounts of coverage.

3. Specialized Knowledge/Personnel (30 points).

3.1 Proposers must have:

- a. experience with start-up hospitals, preferably in Louisiana and particularly in the southeastern United States.
- b. experience in the last five (5) years with projects involving acute care hospital facilities that were of similar scope 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

3.2 Proposers must:

- a. submit a detailed organizational chart identifying the individuals whom the Proposer proposes to perform the services required under an engagement. Any firms or individuals proposed to be subcontracted to the Proposer shall be clearly noted as such. For each key person identified, 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
- b. 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.

3.3 Proposers should:

- a. demonstrate the firm's experience with HUD-242 insured mortgage loans and other state and federal loans and funding sources similar to that of the Hospital. Such funding sources have consisted of Community Development Block Grant Funds, State Capital Outlay Grant Funds, Federal Emergency Management Agency Hazard Mitigation Funds, Health Resources Services Administration Funds.
- b. demonstrate the firm's experience in the last five (5) years with market analysis and financial feasibility studies for acute care hospitals, particularly start-up hospitals.

4. Approach and Schedule (25 points). Proposers must clearly describe the unique approach, methodologies, knowledge and capability to timely perform the scope of services and produce a report to the HSD by August 18, 2017. Demonstrate the firm's and your team's ability and commitment to working with the HSD and its staff, consultants, and professionals to ensure timely and quality deliverables. The HSD project team will include its legal counsel, HUD 242 lender/investment banker, staff, board representation and others as deemed necessary by the HSD, or recommended by your firm.

5. Cost (20 points). Provide a fee for preparation and delivery of the analysis and report based upon the scope of services requested herein. 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.

Summary of Evaluation Criteria:

Background and Experience	25 Pts.
Specialized Knowledge/Personnel	30 Pts.
Approach and Schedule	25 Pts.
Cost	20 Pts.
TOTAL.....	100 Pts.

SECTION FOUR
SCHEDULE OF EVENTS, GENERAL AND ADMINISTRATIVE MATTERS

Schedule of Events:

Friday, February 24, 2017 at 10:00AM Requests for Qualifications and Cost Proposals Available
Monday, March 6, 2017 by 4:00PM Deadline for Proposers to submit questions
Thursday, March 9, 2017 by 4:00PM Deadline for HSD to respond to questions
Friday, March 17, 2017 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.

General and Administrative Matters:

Sealed proposals are to be emailed to:
Dante Green
Assistant Vice President of Operations
dante.green@noehospital.org

Proposers must submit an electronic signed version of the proposal to Dante Green, Assistant Vice President of Operations, by 1:00PM on Friday, March 17, 2017. Any proposal received after the deadline may be rejected. The HSD reserves the right to reject any or all proposals.

Questions concerning this solicitation should be addressed in writing to Dante Green, Assistant Vice President of Operations, via email at dante.green@noehospital.org no later than 4:00PM on Monday, March 6, 2017.

All notices, clarifications, addenda and responses to questions submitted regarding this RFP shall be issued no later than 4:00PM on Thursday, March 9, 2017.

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. Notwithstanding the foregoing, nothing contained herein obligates the HSD to award a contract to any proposer. The HSD expressly reserves the right to cancel this solicitation at any time.

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.

END OF DOCUMENT