



CITY AND BOROUGH OF WRANGELL

INCORPORATED MAY 30, 2008

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REQUEST FOR QUALIFICATIONS FOR PROFESSIONAL SERVICES

Project: Healthcare Consulting Services

Date of Issue: December 15, 2017

BACKGROUND:

The current healthcare climate is such that the sustainability of small community hospitals is significantly challenged. Wrangell Medical Center (WMC) in Wrangell, Alaska is no exception. Wrangell is a small, island community of about 2,400 residents, located in Southeast Alaska approximately halfway between Juneau and Ketchikan. WMC has annual gross operating revenue of \$12 million. Roughly 80 percent of the revenue is from Medicaid and Medicare. The current hospital facility is 30,000 square feet including; 14 long-term care beds (in shared rooms), 8 inpatient/swing beds, 2-bed emergency room, operating room, lab, x-ray and CT scan technology, and a full-service rehab department. The facility is also between 40-50 years old depending on the part of the building. A new facility is necessary. Initial planning work toward development of a new hospital has taken place. WMC operates independently but is part of the local Municipality, the City & Borough of Wrangell (CBW). The Borough Assembly and WMC Board have determined it is in the best interest of the community to explore opportunities with potential third-party partners.

Southeast Alaska Regional Health Consortium (SEARHC) is a non-profit health consortium which serves the health interests of the residents of Southeast Alaska. SEARHC was established in 1975 under the provisions of the Indian Self-Determination Act. SEARHC is headquartered in Juneau and provides healthcare services in 20 communities in Southeast Alaska, including ownership and operation of the clinic in Wrangell.

SEARHC has expressed a strong interest in expanding its presence in Wrangell; including inviting the CBW to enter into a non-binding agreement to explore what an increased healthcare partnership might look like. There are several compelling reasons why this partnership with SEARHC may be the most advantageous option for Wrangell: 1) SEARHC is already an established healthcare entity in the community; 2) SEARHC is willing to provide financial resources to explore facility and operational healthcare options in the community; 3) the contract with SEARHC for doctors at the hospital allows for a 4-physician need to be handled by a 1.5 FTE, thus saving the hospital money; 4) SEARHC owns the primary care clinic which has extra and common space that could be used in a "campus" type approach to a new facility, thus reducing the footprint and cost of a new hospital facility; 5) SEARHC's organizational status provides for a higher reimbursement rate for services, thus increasing healthcare

revenue; and 6) SEARHC currently purchases services from WMC in the amount of \$4 Million – a third of the hospital’s gross operating revenue.

SCOPE OF SERVICES:

The City & Borough of Wrangell is seeking the expertise of a qualified firm knowledgeable in healthcare operations, mergers and acquisitions to provide legal review of all aspects of a potential, three-phase process to determine if a partnership with SEARHC, WMC and CBW is the most advantageous healthcare option for the community. The anticipated phases are:

Phase I: Review of Non-Binding Agreement with SEARHC and all related documents and actions that may arise as part of this partnership exploration;

Phase II: Review of Results & Recommendations that result from joint exploration process with SEARHC;

Phase III: If a relationship with SEARHC is found to be in the best interest of the community – Development of legal documentation and oversight of process necessary to complete the third-party relationship transition in whatever form that takes.

The final scope of each phase will be negotiated between the City & Borough of Wrangell and the successful firm.

SCHEDULE:

There will be an aggressive schedule associated with this work. Award of a professional services agreement is expected to be January 23, 2018 with review work on the non-binding agreement beginning immediately. Depending on how fast the final scope of Phase I can be negotiated, it is possible, but unlikely, award may take place as early as January 9, 2018. Firms should plan to have representatives available for a telephonic or video conference scope discussion as early as January 3, 2018. Firms should also be prepared to be available for follow-up telephonic or video conference interviews January 3-7, 2018 (if determined necessary by the review team). The vast majority of this work (in all three phases) is expected to take place within the next six months.

RFQ HOLDERS LIST:

In the case addenda to this RFQ are required please be certain to complete the RFQ Holders List application and return to the fax or email on the form.

SUBMITTAL TIMEFRAME:

Qualification summaries are due **Tuesday, January 2, 2018 5:00 p.m. local time.**

FORM OF SUBMITTALS: Qualification Summaries should be prepared providing a straightforward, concise description of the firm’s qualifications related to this type of project. Emphasis should be on completeness and clarity of content. Page limit shall not exceed ten (10). This page length includes staff biographies and experience. Please format submittals to follow the evaluation criteria.

SUBMISSION INSTRUCTIONS:

Qualification Summaries are due on or before **5:00 p.m. local time, Tuesday, January 2, 2018.** Qualification Summaries not received at or before said time will not be considered. Proposals shall be submitted as an Adobe Acrobat PDF file via email with the subject line titled

“**QUALIFICATIONS SUBMITTAL – HEALTHCARE CONSULTING.**” Submit to: Lisa Von Bargaen, Borough Manager at lvonbargaen@wrangell.com. Delivery confirmation will be provided by email.

QUALIFICATION SUMMARY EVALUATION CRITERIA:

Weight: Each criterion has an assigned weight which will be used to establish the relative importance of each aspect of the firm’s qualifications.

Rating: A committee of Wrangell Medical Center Board Members, City & Borough of Wrangell Assembly Members and Hospital/City Administrators will evaluate the qualifications of consultants. Ratings will be from 0 - 5 points with 5 being the best. Ratings from all members of the review team will be averaged together to determine an aggregate rating score for each criterion.

- 1. **Capability to perform the required services for the project (WEIGHT 20).**
- 2. **Recent experience in similar projects and proven success (WEIGHT 25).**
- 3. **Capability to meet schedules or deadlines (WEIGHT 20).**
- 4. **Reputation, personal and professional integrity and competency of firm (WEIGHT 15).**
- 5. **Demonstrated flexibility of firm (WEIGHT 5).**
- 6. **Professional background, availability, and caliber of key personnel to be assigned to this project (WEIGHT 5).**
- 7. **Indication of current workload of key personnel assigned to this project (WEIGHT 10).**
- 8. **Competitive fee schedule (WEIGHT 15).**

TOTAL POSSIBLE SCORE

- 1. 5 X 20 = 100
- 2. 5 X 25 = 125
- 3. 5 X 20 = 100
- 4. 5 X 15 = 75
- 5. 5 X 5 = 25
- 6. 5 X 5 = 25
- 7. 5 X 10 = 50
- 8. 5 X 15 = 75

TOTAL POSSIBLE POINTS _____ (0 to 575)

INTERPRETATIONS:

Questions or requests for clarifications shall be submitted in writing (via email) and directed to Lisa Von Bargaen, Borough Manager at lvonbargaen@wrangell.com. The CBW will respond to each question or clarification in writing and answers will be provided in the form of addenda to all firms registered on the RFQ Holders list.

RIGHT TO REJECT QUALIFICATION SUMMARIES:

The City & Borough of Wrangell reserves the right to reject any or all proposals OR qualification summaries for any reason, and/or to waive any or all irregularities and/or informalities.

QUALIFICATION INTERVIEW:

The review team may determine follow-up telephonic or video conference interviews are necessary to make a decision. Firms should be prepared for an interview request January 3-7, 2018.

AWARD:

The City anticipates awarding a professional services agreement for Phase I no later than **January 23, 2018**. Phase I should be complete within the first quarter of 2018. The timeline of the remaining phases will be negotiated between the CBW and the successful firm.

BUDGET:

The final scope and budget will be negotiated with the successful firm.

THIS RFQ IS POSTED AT:

www.wrangell.com