

Prince George's County Hospital Authority

REQUEST FOR QUALIFICATIONS

Acquisition and Financial Advisory Services
For the Prince George's County Hospital Authority

Issue Date: July 24, 2008

KEY INFORMATION SUMMARY SHEET

Prince George's County Hospital Authority

Request for Qualifications

Acquisition and Financial Advisory Services
for the Prince George's County Hospital Authority

Submit Qualifications to: Prince George's County Hospital Authority
Attention: Kenneth E. Glover, Chair
9200 Basil Court, Suite 308
Largo, Maryland 20774
pgchospauth@aol.com

Solicitation Issue Date: July 24, 2008

Closing Date and Time: August 7, 2008

NOTICE

Prospective Respondents who have received this document from a source other than the Prince George's County Hospital Authority should contact the Authority so that any amendments to the Request for Qualifications and other communications may be sent to them.

MINORITY BUSINESS ENTERPRISES ARE ENCOURAGED TO RESPOND TO THIS SOLICITATION

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ATTACHMENTS

- A: Chapter 680 of the 2008 Laws of Maryland Office of the Governor
- B: Response Affidavit
- C: Contract Affidavit

SECTION 1. BACKGROUND

1.1 COUNTY PROFILE

The second largest jurisdiction in Maryland with a population of 828,770 people, Prince George's County wraps around the eastern boundary of Washington, D.C. and includes urban, suburban and rural areas. Estimates forecast that the County population will increase to 950,250 by 2020. The County has more high school and college graduates, and boasts a higher median income, than national averages.

With almost 900 technology companies employing 33,600 highly-trained workers, the County has the second highest number of technology, defense and aerospace companies of any jurisdiction in Maryland. Major employers include Computer Sciences Corporation, Safeway, ATK, Greenhorne & O'Mara, Stinger, Ghaffarian Technologies, and Verizon. The County has nearly a dozen federal labs and agencies and the University of Maryland's flagship campus at College Park.¹

1.2 COUNTY HEALTH STATUS

Heart disease is Prince George's County's leading cause of death, with rates slightly higher than the State's average. Rates of diabetes, HIV, accidents, assaults and infant mortality are also above Maryland averages, while rates of cancer, respiratory disease, Alzheimer's and suicide are lower. The County is served by five acute care hospitals licensed for a total of 851 beds. It has a higher percentage of low birth weight infants and women receiving late or no prenatal care than the Maryland average. More than half of Prince George's County residents seek care outside the jurisdiction.

SECTION 2. DIMENSIONS HEALTHCARE SYSTEM

The Dimensions Healthcare System (DHS or Dimensions) is a private, not-for-profit corporation established in 1983 that operates four health care facilities in Prince George's County and has a 25% ownership interest in a fifth nursing and rehabilitation center (hereafter referred to as the "County health care system" or "health care system"). In 2006, DHS provided care to 21,000 acute care hospital patients, 121,500 emergency department patients, and almost 14,000 patients requiring inpatient and outpatient surgery. The facilities, described below, are leased to Dimensions by the Prince George's County government pursuant to a long term Master Lease Agreement. DHS is one of the County's largest employers, with 2,500 employees.

2.1 PRINCE GEORGE'S HOSPITAL CENTER

The Prince George's Hospital Center (PGHC), located at 3001 Hospital Drive, Cheverly, MD 20785, was licensed in fiscal year 2008 for 264 acute care beds, including 157 medical-surgical, 24 medical-surgical intensive care, 10 coronary care, 40 obstetric, 8 pediatric, and 25

¹ Maryland Department of Business and Economic Development, Prince George's County, Maryland Brief Economic Facts, 2007-2008, www.ChooseMaryland.org

adult psychiatric beds. PGHC operates a 60-bassinet newborn service, including a 20-bassinet Level IIIb neonatal intensive care unit. The emergency department includes 44 treatment spaces. In addition to two C-section operating rooms, the surgical services include eight mixed use operating rooms, one inpatient general purpose operating room, and four procedure rooms. PGHC offers the only cardiac surgery and elective percutaneous coronary intervention service in the Southern Maryland region, which includes Prince George's, Calvert, Charles, and St. Mary's counties. The Maryland Institute for Emergency Medical Services Systems (MIEMSS) has designated PGHC as a Level II Trauma Center and a Perinatal Referral Center for the Southern Maryland region. Utilization data for key services at PGHC are summarized below:

Prince George's Hospital Center	Utilization (2006)
Total Inpatient Discharges (Ex. NB)	14,931
Medical-Surgical	10,625
Obstetric	3,006
Newborn	2,709
Pediatric	161
Psychiatric	1,139
Emergency Department Visits	47,973
Inpatient Surgical Cases	3,986
Outpatient Surgical Cases	3,870
Trauma Patients	3,115

Source: Maryland Health Care Commission (Data reported for inpatient discharges is from the HSCRC Discharge Abstract Data Base for calendar year 2006; data for ED visits is from the HSCRC Financial Data Base for fiscal year 2006; data on inpatient surgical cases is from the HSCRC Discharge Data Base for calendar year 2006; data on outpatient surgery cases is from the MHCC Ambulatory Surgery Provider Directory, 2006; and data on trauma patients is from MIEMSS for the period June 2006-May 2007.)

2.2 GLADYS SPELLMAN SPECIALTY HOSPITAL AND NURSING CENTER

The Gladys Spellman Specialty Hospital and Nursing Center, located adjacent to the Prince George's Hospital Center at 2900 Mercy Lane, Cheverly, MD 20785, is licensed for 52 special hospital-chronic beds and 55 comprehensive care facility or nursing home beds. The chronic hospital facility beds serve primarily patients requiring ventilator support. Utilization data for the nursing home and chronic hospital services are provided below:

Gladys Spellman Specialty Hospital and Nursing Center	Utilization (2005/2006)
Nursing Home	
Admissions	47
Discharges (ex. Deaths)	37
Patient Days	18,967
Special Hospital-Chronic	
Discharges	197
Patient Days	18,135

Source: Maryland Health Care Commission (Data reported for nursing home utilization is from the 2006 MHCC Long Term Care Survey; and, data reported for the Special Hospital-Chronic beds is from the MHCC Subacute Care Survey for calendar year 2005.)

2.3 LAUREL REGIONAL HOSPITAL

The Laurel Regional Hospital (LRH), located at 7300 Van Dusen Road, Laurel, MD 20707, was licensed in fiscal year 2008 for 95 acute care beds, including 47 medical-surgical, 10 medical-surgical intensive care, 16 definitive observation/stepdown, 10 obstetric, 12 adult psychiatric beds, and 28 special hospital rehabilitation beds. LRH operates a 9-bassinet newborn service, and the emergency department includes 30 treatment spaces. In addition to one C-section operating room, the surgical services at LRH include seven mixed use operating rooms and three procedure rooms. Utilization data for key services at LRH are summarized below:

Laurel Regional Hospital	Utilization (2006)
Total Inpatient Discharges (Ex. NB)	6,173
Medical-Surgical	4,806
Obstetric	767
Newborn	661
Pediatric	0
Psychiatric	600
Special-Hospital Rehab Discharges	327
Emergency Department Visits	35,729
Inpatient Surgical Cases	1,487
Outpatient Surgical Cases	4,459

Source: Maryland Health Care Commission (Data reported for inpatient and rehabilitation discharges is from the HSCRC Discharge Abstract Data Base for calendar year 2006; data for ED visits is from the HSCRC Financial Data Base for fiscal year 2006; data on inpatient surgical cases is from the HSCRC Discharge Data Base for calendar year 2006; and, data on outpatient surgery cases is from the MHCC Ambulatory Surgery Provider Directory, 2006.)

2.4 BOWIE HEALTH CENTER

The Bowie Health Center, located at 15001 Health Center Drive, Bowie, MD 20716, is licensed as a Freestanding Medical Facility. It has 21 treatment spaces and provides emergency care services 16-hours/day, 7 days/week. Utilization data for Bowie Health Center is provided below:

Bowie Health Center	Utilization (2006)
Emergency Visits	37,817

Source: Maryland Health Care Commission (Data reported for emergency visits is from the HSCRC Financial Data Base for calendar year 2006.)

2.5 LARKIN CHASE NURSING AND REHABILITATION CENTER

The Larkin Chase Nursing and Rehabilitation Center, located on the Bowie Health Center campus at 15005 Health Center Drive, Bowie, MD 20716, is licensed for 119 comprehensive care facility or nursing home beds.

SECTION 3. PRINCE GEORGE'S COUNTY HOSPITAL AUTHORITY

Dimensions has experienced severe fiscal difficulties over the past decade, including bond indebtedness, unfunded pension obligations, high rates of uncompensated care, and other challenges that have compromised the health care system's ability to meet the needs of the residents of Prince George's County and the surrounding jurisdictions. As a consequence, both the State and County have had to provide short-term financial support to the system, and both seek to effect a long-term solution by transferring the system to a new owner capable of providing financial stability and enhancing the breadth and quality of the health care provided to the people of the County and the Southern Maryland region.

Accordingly, during its 2008 session, the Maryland General Assembly passed an emergency bill, House Bill 1039, creating the Prince George's County Hospital Authority. A 7-member public body appointed jointly by the Governor, Prince George's County Executive the Prince George's County Council, and the presiding officers of the General Assembly, the Authority's mission is to implement an open, transparent, and competitive bidding process for the purpose of facilitating the acquisition of the health care system by an entity or entities providing health care services inside or outside the State. Under the law, before the Authority issues the Request for Proposals, the State and County are required to reach agreement on the amount of long-term public funding they will commit to help support and facilitate the acquisition and the stabilization and enhancement of the system. The goal is for the Authority to negotiate a purchase agreement to transfer the health system by the beginning of the 2009 session of the General Assembly. See Chapter 680 of the 2008 Laws of Maryland, Attachment A.

SECTION 4. PURPOSE OF SOLICITATION

The purpose of this solicitation is to assess the qualifications of firms to provide acquisition and financial advisory services to assist the Prince George's County Hospital Authority in conducting an open bidding process and facilitating an agreement to transfer the health care system to a new owner. The Authority is seeking qualified firms for two distinct sets of services which may be provided by separate respondents or by the same firm offering separate qualifications for the two categories of services. Respondents may respond to one or both requests, but dual responses should be separate. Taken together, the Respondent or Respondents will be qualified to provide a full range of advisory services to the Authority on the acquisition of the health care system, including pre-market valuation, development of a marketing strategy, identification and solicitation of qualifying buyers, coordination of due diligence activities, evaluation of responsive proposals and selection of winning proposal, and the structuring, negotiation and completion of the transaction.

This RFQ is **not** being conducted under the provisions of the Maryland Procurement Law (Division II of the State Finance & Procurement Article and Code of Maryland Regulations (COMAR) Title 21).

SECTION 5. SCOPE OF SERVICES FOR WHICH QUALIFICATIONS ARE REQUESTED

Respondents may respond to one or both Requests for Qualifications for the two categories of services outlined in Section 5.1 and 5.2 respectively. Respondents responding to both shall submit separate responses for each category. Respondents may also elect to submit joint, collaborative responses with one or more other firms to ensure appropriate qualifications for the full range of services required.

5.1 VALUATION, MARKETING AND ISSUANCE OF REQUEST FOR PROPOSALS FOR ACQUISITION OF THE HEALTH CARE SYSTEM: The Respondent must demonstrate its qualifications to perform the tasks set forth below, as directed by the Authority. Further refinement of the scope and details of these tasks may be necessary as the project evolves.

A. Work Plan and Timeline: Prepare a work plan and timeline for the valuation, marketing and issuance of the request for proposals for acquisition of the health care system, and coordination of due diligence activities.

B. Pre-market Valuation: Develop a valuation of the health care system, assessing variables such as its financial and operating history, the condition and value of its assets, factors related to demographics, competition, and operating environment, health care and financial market conditions, and legal and regulatory constraints.

C. Marketing Strategy: Develop and implement a strategy for marketing the health care system, with the objective of motivating potential acquirers and producing multiple offers from qualified buyers. The strategy shall include: 1) a descriptive marketing profile and positioning

statement, highlighting to the extent possible potential areas of synergy, cost savings, growth and strategic opportunities for potential buyers; 2) a carefully-screened list of prospective acquirers; and 3) a communications and outreach plan to solicit potential acquirers.

D. Request for Proposals (RFP): Draft and assist in the Authority's issuance of the RFP and related materials, ensuring compliance with the Authority's enabling statute, Chapter 680 of the 2008 Laws of Maryland (attached as Appendix A). The RFP shall reflect the Respondent's experience and advice regarding alternative financing strategies to structure and complete the transaction.

E. Due Diligence Activities: Coordinate, advise and assist the Authority, health care system and prospective bidders in the due diligence investigation, including communications and response to questions, and the identification, collection and exchange of documents.

5.2 EVALUATION OF RESPONSIVE PROPOSALS, NEGOTIATION OF STRUCTURE AND FINANCING OF MOST RESPONSIVE PROPOSALS, SELECTION OF ACQUIRER, AND COMPLETION OF TRANSACTION: The Respondent must demonstrate its qualifications to perform the tasks set forth below, as directed by the Authority. Further refinement of the scope and details of these tasks may be necessary as the project evolves.

A. Work Plan and Timeline: Prepare a work plan and timeline for the evaluation of responsive proposals, the negotiation of the structure and financing of the most responsive proposals, the selection of the acquirer, and the completion of the transaction.

B. Evaluation of Responsive Proposals: Assist the Authority in evaluating responsive proposals, including the potential acquirers' financial assumptions, resources, operational capacities, and plans to enhance the financial stability and quality of the health care system.

C. Structuring and Financing of Most Responsive Proposals, and Selection of Acquirer: Conduct and advise on negotiations regarding the structure and financing of the most responsive proposals, and assist the Authority in selecting and reaching agreement with the winning bidder.

D. Completing the Transaction: Coordinate and assist the Authority in all actions necessary to close the deal, including negotiating final terms, resolving any regulatory or financing issues, and preparing the letter of intent, definitive purchase agreement, and other closing documents necessary to complete the transaction. These services will not include legal representation of any of the parties to the transaction.

5.3 KEY PERSONNEL: The Respondent must demonstrate its qualifications to assemble a project team of key personnel with the necessary qualifications and experience to perform the services described in Sections 5.1 and 5.2. The Respondent must demonstrate that its key personnel will develop close, positive working relationships with the Authority, and that it will notify the Authority of any proposed changes to personnel, with the understanding that any personnel changes shall be approved by the Authority.

5.4 DURATION OF SERVICES TO BE PERFORMED

Any contract for the scope of services outlined in Section 5.1 and 5.2 shall be for a period of up to six months. The contract shall also include options for the Authority to renew up to two times either or both of the contracts for an additional 6 months. The Authority may also, at its discretion, request that work be ceased under the contract if a cessation of work becomes necessary to comply with the requirements of Chapter 680. The exercise of this right to renew or to cease work under the contract is the Authority's unilateral option which it may or may not exercise in its sole, subjective discretion.

5.5 COMPENSATION AND METHOD OF PAYMENT

The Authority seeks qualifications from firms which could provide the requested services under a time and materials contract with fixed unit prices, with the Authority paying only for actual usage at the fixed unit price. Any contract which results from this RFQ shall contain a ceiling or an estimate that shall not be exceeded without the prior approval of the Authority. Respondents shall provide a draft work plan reflecting a description of the tasks and deliverables necessary to complete the services described in Section 5.1 and 5.2, including the start and end times for each, and the estimated number of hours required to complete each task or deliverable. The draft work plan shall also identify any risks that would impede completion of the task or deliverable within time estimates.

The draft work plan should also include quotes for hourly rates in designated labor categories, with such rates fully loaded with direct and indirect charges. In specifying the labor categories, the plan should delineate each category's requirements for experience and proficiency, and how all proposed personnel meet the requirements of their designated labor category. Respondents may also include in the work plan a fixed melded hourly rate for all professionals, and a separate fixed melded hourly rate for all para-professionals.

Any Respondents awarded a contract as a result of this RFQ shall be required to deliver a final work plan which shall be subject to the Authority's Contract Manager's approval. Any variations from the approved final work plan will require the written consent of the Authority's Contract Manager.

5.6 PROFESSIONAL LIABILITY INSURANCE

Respondents must demonstrate that they carry professional liability insurance.

SECTION 6. INFORMATION ON REQUEST FOR QUALIFICATIONS AND RESPONSES

6.1 ISSUING OFFICE AND PROCUREMENT OFFICER

The sole point of contact in the State for purposes of this Request for Qualifications (RFQ) is the Chair of the Prince George's County Hospital Authority, who will serve as the Procurement Officer. His contact information is listed below:

Kenneth E. Glover
Senior Vice President, PNC Bank
800 Connecticut Avenue, NW – Third Floor
Washington, DC 20006
202-835-4529 (work)
202-247-5382 (cell)
202-315-3929 (fax)
Kenneth.glover@pnc.com

6.2 QUESTIONS

Questions will be accepted from prospective Respondents and should be submitted no later than one week before the closing date of this RFQ to the Procurement Officer only. The Authority would prefer e-mail submission of questions to the following email address, pgchospauth@aol.com, but questions will be accepted by mail or facsimile. The Procurement Officer will decide whether an answer can be given before the closing date, based on the availability of time to research and communicate an answer. Answers to all substantive questions that are not clearly specific to the requestor only will be distributed to all potential Respondents known to have received a copy of this RFQ.

Respondents are responsible for becoming fully informed regarding all circumstances, information, laws and any other matters that might, in any way, affect the Respondent's role and responsibilities. Any failure to become fully knowledgeable of such matters shall be at the Respondent's sole risk. The Authority assumes no responsibility for any interpretations made by Respondents on the basis of information provided in this RFQ or through any other sources.

6.3 REQUIREMENTS AND DEADLINE FOR SUBMISSION OF RESPONSES

An unbound, clearly marked original and eleven (11) printed copies of the Technical Response, in a separate sealed envelope marked "Qualifications for Acquisition and Financial Advisory Services for the Prince George's County Hospital Authority – Technical Response" and an unbound, clearly marked original and eleven (11) copies of the Price Response in a separate sealed envelope marked "Qualifications for Acquisition and Financial Advisory Services for the Prince George's County Hospital Authority – Price Response" must be received at the address on the Key Information Summary Sheet, and no later than the date and time listed on the Summary Sheet. The original shall be clearly identified and shall bear the original signature of the individual authorized to commit the firm in blue ink. An additional copy of both Technical and Price

Responses must also be provided on a CD-ROM disk. These requirements must be met separately for all responses submitted in response to the separate requests set forth in Section 5.1 and 5.2.

Respondents must also designate and provide all contact information for the person who will serve as the Respondent's single point of contact for purposes of the response to this RFQ and any communications regarding the response.

6.4 NEGOTIATIONS AND REVIEW OF RESPONSES

Written and/or oral communications, exchange of information, and negotiations before or after the receipt of responses may be undertaken to promote understanding of the RFQ requirements and the responses. All responses shall be reviewed and evaluated to determine which Respondents are most qualified to meet the Authority's requests, needs, and standards for the fulfillment of its mandate under Chapter 680 of the 2008 Laws of Maryland. The Authority reserves the right to reject any and all responses to its Request for Qualifications, and to investigate the qualifications of all firms to whom an award is contemplated.

6.5 POTENTIAL AWARD OF CONTRACT

Following receipt and review of the responses, a short list of the most qualified firms will be developed for consideration of a contract award or awards. These firms may be required to make further presentations, or to engage in a second stage of the process by responding to a Request for Proposals. At its discretion, however, the Authority may instead proceed directly to negotiations and/or the award of one or more contracts with one or more Respondents. Respondents may be required to submit best and final offers.

6.6 RESPONSE AFFIDAVIT AND RESIDENT AGENT

At all times during the term of any contract resulting from this RFQ, Respondents: 1) must be qualified to do business in the State of Maryland; 2) may not be in arrears with respect to any monies due and owing the State of Maryland or Prince George's County, including but not limited to the payment of taxes and employee benefits; 3) shall comply with all federal, State, and local laws, regulations, and ordinances applicable to its activities and obligations under the contract; and 4) shall obtain, at its expense, all licenses, permits, insurance, and governmental approvals, if any, necessary to the performance of its obligations under the contract.

Respondents must submit a completed Response Affidavit, Attachment B, with their Technical Response. If an item on this Affidavit is not applicable, it should be so indicated. All blanks are to contain either an answer or a Not Applicable designation.

6.7 REVISIONS TO THE RFQ

If it becomes necessary to revise this RFQ, amendments will be provided to all prospective Respondents that were sent this RFQ or otherwise are known by the Procurement Officer to have

obtained the RFQ. Failure to acknowledge receipt does not relieve the Respondent from complying with all terms of any such amendment. Amendments, along with the RFQ itself, shall also be posted on the State's and County's websites.

6.8 RFQ CANCELLATION / REJECTION

The Prince George's County Hospital Authority reserves the right to cancel this RFQ at any time. The Authority also reserves the right to accept or reject in whole or in part any and all responses received in response to this RFQ and to waive or permit cure of minor irregularities in any manner necessary to serve the best interests of the Authority. Respondents whose responses are not accepted or will not be considered further for the potential award of a contract will be notified in writing.

6.9 INCURRED EXPENSES

The Authority will not be responsible for any costs incurred by a Respondent in preparing and submitting a response or in performing any other activities relative to this solicitation.

6.10 ECONOMY OF PREPARATION

Responses should be prepared simply and economically, providing a straightforward, concise description of the Respondent's ability to meet the requirements of this RFQ.

6.11 MINORITY BUSINESS ENTERPRISES (MBE)

Minority Business Enterprises are strongly encouraged to respond to this solicitation, and non-MBE firms are strongly encouraged to engage in outreach and other efforts to collaborate and sub-contract with MBE firms so as to enable their inclusion in the non-MBE firm's response to this RFQ. MBE Respondents are encouraged to obtain MBE certification from the Maryland Department of Transportation, Office of Minority Business Enterprise or the Prince Georges County Office of Central Services, Minority Business Enterprise Division. All certification-related questions should be directed to:

For Maryland Certification

Office of Minority Business Enterprise
Maryland Department of Transportation
P.O. Box 8755
BWI Airport, Maryland 21240-0755
(410) 859-7328
http://www.mdot.state.md.us/MBE_Program/

For Prince Georges County Certification

Prince Georges County Office of Central Services
Minority Business Enterprise Division

1400 McCormick Drive, Suite 281
Largo, Maryland 20774
Tel: (301) 883-6480
Fax: (301) 883-6479
<http://www.princegeorgescountymd.gov> (under the Office of Central Services *Minority Business Development Division* link)

Current directories of all MBEs certified by the State and the County are also available at these offices and websites.

6.12 PROPRIETARY INFORMATION

Respondents must clearly and specifically identify those portions of their responses that are considered confidential, proprietary commercial information or trade secrets, and provide justification as to why they are so considered. This information is to be placed after the Title Page and before the Table of Contents of the response. Respondents must indicate each page or section that is considered confidential; it is not sufficient simply to preface the response with a proprietary statement. The Authority is not subject to the State Public Information Act, Title 10, Subtitle 6 of the State Government Article.

6.13 ARREARAGES

By submitting a response to this solicitation, each Respondent represents that it is not in arrears in the payment of any obligations due and owing the State of Maryland or Prince George's County. This includes the payment of taxes and employee benefits. The Respondent shall not become in arrears during the term of any contract if selected for a contract award.

6.14 VERIFICATION OF REGISTRATION AND TAX PAYMENT

Before a corporation can do business in the State, it must be registered with the Department of Assessments and Taxation, State Office Building, Room 803, 301 West Preston Street, Baltimore, Maryland 21201. The Authority strongly recommends that any potential Respondent complete registration prior to the due date for receipt of responses. Failure to do so may disqualify an otherwise successful Respondent from final consideration and recommendation for a contract award.

6.15 RECIPROCAL PREFERENCE

Although Maryland does not favor resident business in procurement, other states do grant their resident businesses preferences over Maryland businesses. Therefore, a resident business preference will be given if: a Respondent's headquarters, principal base of operations, or principal site that will primarily provide the services under this RFQ is in another state; and, the other state gives a preference to its residents through law, policy, or practice. The preference given shall be identical to the preference that the other state gives to its residents.

6.16 FALSE STATEMENTS

A. In connection with this RFQ, a person may not willfully: (1) falsify, conceal, or suppress a material fact by any scheme or device; (2) make a false or fraudulent statement or representation of a material fact; (3) use a false writing or document that contains a false or fraudulent statement or entry of a material fact. Proposals shall be submitted with the following statement signed by Respondents' duly authorized officer or representative: "I solemnly affirm under the penalties of perjury that the contents of the foregoing proposal are true to the best of my knowledge, information, and belief."

6.17 ELECTRONIC FUNDS TRANSFER

By submitting a response to this solicitation, the Respondent agrees that in the event that its response results ultimately in a contract award, it will accept payments by electronic funds transfer.

6.18 DISCLOSURE OF CONFLICTS OF INTEREST

Any Respondent receiving a contract award as a result of this solicitation shall be required either to provide a list of its clients or to sign a conflict of interest disclosure statement. The list of clients and/or disclosure statement must include any current or past financial interest in or other affiliation with Dimensions Health Corporation or any affiliated entity.

SECTION 7. PROPOSAL FORMAT

7.1 GENERAL

The Respondent's Technical Response should be prepared in a straightforward and concise manner, detailing the Respondent's capabilities to satisfy the requirements of this RFQ and should conform to the outline set forth in Section 8.2.B below.

7.2 TECHNICAL RESPONSE

A. General:

Respondents must submit, under separate cover, a clearly marked unbound original and eleven (11) bound copies of the Technical Response in a separate sealed envelope titled "Acquisition and Financial Advisory Services for the Prince George's County Hospital Authority - Technical Response for Services Requested in Section 5.1 (or 5.2)." One additional copy must be provided on a CD-ROM disk.

B. Outline:

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Tab 1 – Qualifications

The Respondent shall provide evidence that it has the qualifications and experience necessary to perform the services to be performed under any contract to be awarded as a result of this RFQ, including a detailed description of selected engagements with an explanation of how they demonstrate the ability to provide the services.

Tab 2 – Executive Summary

The Respondent shall condense and highlight the contents of the Technical Response in a separate section titled “Executive Summary”. The summary shall provide a broad overview of the Respondent’s understanding of the contents of the RFQ and of how the Respondent’s response meets the scope of services requested in Section 5.1 or 5.2. If any addendum or amendments have been issued to this RFQ, the Respondent shall acknowledge receipt of the same in this section. Also, any exceptions to this RFQ or any of the attachments must be clearly identified in this section. Exceptions may result in the proposal being deemed unacceptable.

Tab 3 – Proposed Work Plan

The Respondent should submit a detailed description of its qualifications and proposed plan to provide the services outlined in the RFQ. It should include the likely methods and techniques the Respondent would utilize and its plan and capacity to manage the overall project and subordinate tasks within applicable deadlines.

Tab 4 - Response Affidavit (Attachment B) – Must be completed and signed by an individual authorized to bind the Respondent. All questions are to be answered on Attachment B. If a question is not applicable it should be so indicated.

Tab 5 – Summary of Corporate Experience and Capability

The Respondent should describe its significant experience in the provision of acquisition and financial advisory services, with particular emphasis, depending on whether the Respondent is responding to the request for services in Section 5.1 or 5.2, on its experience in the valuation, marketing, and solicitation of acquirers, and the financing and closing of hospital and health care system acquisitions. The Respondent should also describe its experience in public finance.

Tab 6 – Corporate References

The Respondent should provide the names, addresses, telephone numbers and any other contact information of at least three current clients that may be contacted as references. The Authority reserves the right to call any known former or current client.

Tab 7 – Corporate Fiscal Responsibility

The Respondent should provide evidence of its financial ability to carry out any contract which may ultimately be awarded as a result of this RFQ. Examples of evidence of financial ability may include, but are not limited to: 1) Recently audited (or best available) financial statements, including a certification by the Chief Financial Officer (or equivalent officer) that the statements are accurate and reliable; 2) Lines of credit; 3) Successful financial track record; 4) Adequate working capital; and 5) Financial rating such as Dunn and Bradstreet

Tab 8 – Key Personnel

A. The Respondent should identify the specific individuals and any subcontractors who will be assigned or used to provide any services under any contract which may result from this RFQ. The Respondent should include a resume for each individual and/or subcontractors named, including the name and contact information of at least one recent client of such individuals and/or subcontractors who may be contacted as a reference for them.

B. The Respondent should identify the person or persons to perform work on a day-to-day basis under each of the tasks referred to in Section 5.1 and 5.2, and should explain how their qualifications and experience relate to the responsibilities they will undertake.

C. The Respondent should specify the division of responsibility envisioned among these individuals and their availability to perform contract services during the term of any contract. For each individual identified, the Respondent should indicate the percentage of time that person will be available for performance on any contract.

D. The Respondent should identify other personnel who would be available to perform the services described in Section 5.1 and 5.2 if members of the specific team were unavailable.

Tab 9 - Approach to Managing Clients and Organizing Projects

The Respondent should describe its standard approach to managing clients. It should include, at a minimum, how staff is assigned to complete both routine and special tasks, the approach to minimizing billable hours to clients, and decision-making on how much oversight and/or leadership is required to complete both routine and special tasks.

Tab 10 - Preparation of Presentations, Training, and Analysis Skills

A. The Respondent should describe its experience in the development of presentations to groups such as potential acquirers, credit rating agencies, investment bankers, investors, and others as appropriate. The Respondent should attach a sample(s) of recent, relevant presentations.

B. The Respondent should attach as an exhibit any example of work which highlights experience in hospital acquisition and financial advisory services, and any other experience that

provides insight into the Respondent's ability in financial analysis and management, and ability to organize and complete projects for clients.

Tab 11 – Professional Liability Insurance

The Respondent should provide documentary evidence of professional liability insurance, including coverage and deductible amounts.

7.3 PRICE RESPONSE

Respondents must submit an unbound, clearly marked original and eleven (11) bound copies of the Price Proposal in a separate sealed enveloped titled "Acquisition and Financial Advisory Services for the Prince George's County Hospital Authority - Price Response for Services Requested in Section 5.1 (or 5.2)." One additional copy shall be provided on a CD-ROM disk. The Price Response shall be signed by an official authorized to bind the Respondent. Any Respondents choosing to submit responses for both Sections 5.1 and 5.2 may, in addition to separate Price Responses for each, submit a combined Price Response offering a discount in the event the Respondent is awarded contracts for both categories of services.

SECTION 8. EVALUATION PROCEDURE

8.1 EVALUATION COMMITTEE

The Procurement Officer shall establish an Evaluation Committee. The Procurement Officer reserves the right to reject in whole or in part any and all responses received as a result of this RFQ, to waive minor irregularities in responses, and to enter into discussions with all responsible Respondents in any manner deemed necessary to serve the best interest of the Authority, Prince George's County, and the State. Respondents who will not be considered for a contract award will be notified in writing.

8.2 DISCUSSIONS/ORAL PRESENTATIONS

All Respondents who appear to be well qualified may be required to make oral presentations and participate in discussions with the Evaluation Committee. All responses shall be reviewed and evaluated to determine which Respondents are most qualified to meet the Authority's requests, needs, and standards for the fulfillment of its mandate under Chapter 680 of the 2008 Laws of Maryland. The Authority reserves the right to reject any and all responses to this Request for Qualifications, and to investigate the qualifications of all firms to whom the award is contemplated.

8.3 TECHNICAL RESPONSE EVALUATION CRITERIA

The Evaluation Committee will conduct its evaluation of the Technical Responses received on the basis of the following criteria:

- A. Work plan and approach to providing the services to be performed under any contract and pursuant to the Authority's enabling statute, Chapter 680 of the 2008 Laws of Maryland;
- B. Experience and qualifications of proposed staff in providing acquisition and financial advisory services for large, complex acquisitions of hospitals and related health care facilities;
- C. Corporate experience and capability in performing work involving the acquisition of hospitals and related health care facilities, in assisting boards or public bodies in evaluating proposals and negotiating transactions, and in producing high quality deliverables within fixed costs and timeframes.

8.4 PRICE RESPONSE EVALUATION

Price Responses will not be opened until the evaluation of the Technical Response to the RFQ is complete.

8.5 WEIGHTING OF TECHNICAL AND PRICE RESPONSES

In evaluating proposals, the Technical Responses will have greater weight than the Price Responses.

8.6 POTENTIAL AWARD OF CONTRACT

Following receipt and review of the responses, a short list of the most qualified firms will be developed for consideration of a contract award or awards. These firms may be required to make further presentations, or to engage in a second stage of the process by responding to a Request for Proposals. At its discretion, however, the Authority may instead proceed directly to negotiations and/or the award of one or more contracts with one or more Respondents. Respondents may be required to submit best and final offers.

The successful Respondent(s) will be required to enter into and sign a formal Contract with the Authority with reasonable adjustments acceptable to the Authority. This RFQ shall be incorporated in and become part of the Contract. The contract language will control over any language contained in this RFQ that conflicts with the Contract.

ATTACHMENT A

CHAPTER 680 OF THE 2008 LAWS OF MARYLAND

Article – Health – General

24–1601.

CAUTION: READ FULL TEXT OF SECTION FOR SPECIAL NOTE

// SPECIAL NOTE: THE FOLLOWING SECTION WAS ADDED BY
CHAPTER 680 OF 2008 AND WILL REMAIN IN EFFECT UNTIL MAY 22,
2010 //

(a) In this subtitle the following words have the meanings indicated.

(b) “Authority” means the Prince George’s County Hospital Authority.

(c) “County” means Prince George’s County, Maryland.

(d) “County Council” means the Prince George’s County Council.

(e) “County Executive” means the County Executive of Prince George’s County.

(f) (1) “Dimensions” means Dimensions Health Corporation.

(2) “Dimensions” includes any successor, assignee, subsidiary, or affiliate of Dimensions Health Corporation, or any holder of a financial interest in Dimensions Health Corporation, that operates or provides services at:

(i) Prince George’s Hospital Center;

(ii) Laurel Regional Hospital;

(iii) Bowie Health Campus;

(iv) Gladys Spellman Specialty Hospital and Nursing

Center; or

(v) Larkin Chase Nursing and Rehabilitation Center.

(g) “Prince George’s County health care system” means the health care facilities, assets, leasehold rights, liabilities, and operations currently held, conducted, or operated by Dimensions at:

(1) Prince George’s Hospital Center;

(2) Laurel Regional Hospital;

(3) Bowie Health Campus;

(4) Gladys Spellman Specialty Hospital and Nursing Center;

or

(5) Larkin Chase Nursing and Rehabilitation Center.

(h) “Secretary” means the Secretary of Health and Mental Hygiene.

24–1602.

CAUTION: READ FULL TEXT OF SECTION FOR SPECIAL NOTE

// SPECIAL NOTE: THE FOLLOWING SECTION WAS ADDED BY CHAPTER 680 OF 2008 AND WILL REMAIN IN EFFECT UNTIL MAY 22, 2010 //

(a) There is a body corporate and politic known as the Prince George’s County Hospital Authority.

(b) The mission of the Authority is to establish and implement an open, transparent, and competitive bidding process for the purpose of transferring the Prince George’s County health care system to one or more new owners.

(c) The new owner or owners selected through the competitive bidding process under this subtitle shall:

(1) Provide access to, improve, and deliver high quality, community-oriented health and hospital services in the county that meet the health care needs of residents of the county and surrounding jurisdictions in

a manner consistent with principles of State health planning law under Title 19, Subtitle 1 of this article; and

(2) Be a financially self-sustaining entity or entities capable of:

(i) Operating and achieving the goals set forth in item (1) of this subsection independently of the State and the county;

(ii) Developing a plan to satisfy any liabilities, including long-term bond indebtedness, pension obligations, malpractice liabilities, and any encumbrances placed by Dimensions arising from the health care facilities, assets, leasehold rights, liabilities, or operations held or operated by Dimensions;

(iii) Covering the operating and capital expenses arising from the Prince George's County health care system; and

(iv) Achieving access to long-term capital resources.

(d) The Authority is an instrumentality of the State and a public corporation by that name, style, and title.

(e) (1) The exercise by the Authority of the powers conferred by this subtitle is the performance of an essential public function.

(2) The Authority shall be subject to:

(i) The State Open Meetings Law, Title 10, Subtitle 5 of the State Government Article; and

(ii) The State Tort Claims Act, Title 12, Subtitle 1 of the State Government Article.

(3) The Authority shall be exempt from the following provisions of State law:

(i) The State Personnel and Pensions Article;

(ii) Title 10, Subtitle 6 of the State Government Article;

(iii) Division II of the State Finance and Procurement Article; and

(iv) The clearinghouse provisions set forth in §§ 5–310, 5–504, and 5–505 of the State Finance and Procurement Article.

(4) The employees of the Authority are not State personnel as defined in § 12–101 of the State Government Article.

(5) The Authority shall publish all notices required to be published under this subtitle in newspapers of record in the county as provided by Section 1008 of the County Charter.

(f) (1) The Authority shall allow the Secretary and the county access to all records, notes, contracts, and plans of the Authority which are not proprietary or confidential.

(2) The county and Dimensions shall provide the Authority, representatives from the State and county participating in the negotiations to reach agreement on the public funding commitments under § 24–1604 of this subtitle, and all entities participating in the bidding process set forth in § 24–1605 of this subtitle, timely and complete access to all books and records in the county’s possession or control relating to:

(i) Dimensions;

(ii) The health care services provided by Dimensions;

(iii) The facilities held or operated by Dimensions;

(iv) The property or assets under the possession or control of Dimensions under a lease agreement with the county; and

(v) All liabilities arising from these services, operations, facilities, assets, and property.

(g) (1) On release of the request for proposals to be issued in accordance with § 24–1605 of this subtitle, the Authority immediately shall submit a copy of the request for proposals to the Governor, the Secretary, the State Treasurer, the County Executive, the County Council, and, in accordance with § 2–1246 of the State Government Article, the President of the Senate, the Speaker of the House of Delegates, the Senate Budget and Taxation Committee, the Senate Finance Committee, the House Appropriations Committee, and the House Health and Government Operations Committee.

(2) Every 3 months after the request for proposals is issued, the Authority shall submit a status report on its ability to fulfill its mission within the timeframes and deadlines required under this subtitle to the Governor, the Secretary, the Prince George's County Executive, the Prince George's County Council and, in accordance with § 2-1246 of the State Government Article, the President of the Senate, the Speaker of the House of Delegates, the Senate Budget and Taxation Committee, the Senate Finance Committee, the House Appropriations Committee, and the House Health and Government Operations Committee.

24-1603.

CAUTION: READ FULL TEXT OF SECTION FOR SPECIAL NOTE

// SPECIAL NOTE: THE FOLLOWING SECTION WAS ADDED BY CHAPTER 680 OF 2008 AND WILL REMAIN IN EFFECT UNTIL MAY 22, 2010 //

(a) (1) The Authority shall consist of seven members appointed as follows:

(i) Three members shall be appointed by the Governor;

(ii) Three members shall be appointed jointly by the County Executive and the County Council; and

(iii) One member shall be appointed jointly by the President of the Senate and the Speaker of the House of Delegates.

(2) The Governor shall designate a member to serve as the chair of the Authority.

(3) (i) The Governor, the County Executive, the County Council, the President of the Senate, and the Speaker of the House of Delegates shall appoint their respective members of the Authority no later than 30 days after the Authority is established.

(ii) The Authority shall begin its work immediately after the earlier of:

1. All members being appointed; or

2. 30 days after the Authority is established.

(b) (1) The term of a member is 2 years.

(2) A member may be removed for neglect of duty, incompetence, or misconduct by:

(i) The Governor, if the member was appointed by the Governor;

(ii) The joint action of the County Executive and County Council, if the member was appointed by the County Executive and County Council; and

(iii) The joint action of the President of the Senate and the Speaker of the House of Delegates, if the member was appointed by the President and Speaker.

(3) A member may not:

(i) Be a current or former elected official of State or local government;

(ii) Have a current or past financial interest in, or other affiliation as an employee or member of the Board of Directors of, Dimensions or any entity affiliated with Dimensions;

(iii) Have a current or past financial interest in or other conflict of interest with a potential bidder;

(iv) Be a lobbyist licensed by the State Ethics Commission;

(v) Be a chair or treasurer of a political committee registered with the State Board of Elections or the Federal Elections Commission; or

(vi) Be a member of a political party central committee.

(c) A majority of the full authorized membership of the Board shall constitute a quorum in accordance with § 3 of Robert's Rules of Order, 10th edition.

(d) Having been given prior notice of the matter, the Authority may

act on any matter with the authorization of a quorum being present and voting.

(e) A member of the Authority is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

(f) (1) A member of the Authority shall perform the member's duties:

(i) In good faith;

(ii) In the manner the member reasonably believes to be in the best interests of the Authority; and

(iii) Without intentional or reckless disregard of the care an ordinarily prudent person in a like position would use under similar circumstances.

(2) A member who performs the member's duties in accordance with the standard provided in paragraph (1) of this subsection is not liable personally for actions taken as a member.

(g) Authority members shall be subject to the provisions of the State ethics laws, Title 15, Subtitles 1 through 7 of the State Government Article.

24-1604.

CAUTION: READ FULL TEXT OF SECTION FOR SPECIAL NOTE

// SPECIAL NOTE: THE FOLLOWING SECTION WAS ADDED BY CHAPTER 680 OF 2008 AND WILL REMAIN IN EFFECT UNTIL MAY 22, 2010 //

(a) Within 10 days after the Authority is established, the Governor shall appoint a representative, and the County Executive and County Council jointly shall appoint a representative, to conduct negotiations to reach agreement on the funding the State and the county will commit for support of the Prince George's County health care system in the event that the bidding process established under § 24-1605 of this subtitle results in an agreement to transfer the Prince George's County health care system to a new owner or owners.

(b) Within 60 days after the Authority is established, the Governor, the County Executive, and the County Council, with input from the presiding officers and fiscal leadership of the General Assembly, shall reach agreement on the funding the State and the county will commit for support of the Prince George's County health care system if the bidding process established under § 24-1605 of this subtitle results in an agreement to transfer the Prince George's County health care system to a new owner or owners.

(c) The agreement established under subsection (b) of this section shall include:

(1) The aggregate amount of funding;

(2) The period of years over which the aggregate amount of funding shall be provided, and the amount of funding to be provided each year; and

(3) The percentage of the total financial commitment for which the State and the county will each be responsible.

(d) If, at the end of the 60 days, the Governor, the County Executive, and the County Council have failed to reach agreement but believe that an extension of time would enable them to reach the agreement required under subsection (b) of this section, the Governor, the County Executive, and the County Council:

(1) May extend their negotiations for up to but not more than 30 additional days; and

(2) Shall notify the Authority and the presiding officers of the General Assembly of the extension of time.

(e) (1) If the agreement for transfer to the new owner or owners selected through the bidding process established under § 24-1605 of this subtitle requires less financial support from the State and the county than that agreed upon under subsections (b) and (c) of this section, the State and the county's funding obligations shall be reduced on a pro rata basis.

(2) If, within 60 days after the establishment of the Authority, or within 90 days after the establishment of the Authority if the parties use the additional time as set forth in subsection (d) of this section, the Governor, the County Executive, and the County Council fail to reach agreement in accordance with subsections (b) and (c) of this section, the next

quarterly payment, and any subsequent payments, due to Dimensions from the State and the county under § 24–1608 of this subtitle shall be withheld.

(3) If the Governor, the County Executive, and the County Council fail to reach agreement within 60 or 90 days in accordance with subsections (b), (c), and (d) of this section, all other obligations under this subtitle shall be null and void.

24–1605.

CAUTION: READ FULL TEXT OF SECTION FOR SPECIAL NOTE

// SPECIAL NOTE: THE FOLLOWING SECTION WAS ADDED BY CHAPTER 680 OF 2008 AND WILL REMAIN IN EFFECT UNTIL MAY 22, 2010 //

(a) Except as otherwise provided in § 24–1604(e)(3) of this subtitle, the Authority shall develop and issue a request for proposals from entities providing health care services inside or outside the State for the sale or transfer of the Prince George’s County health care system:

(1) If the agreement required under § 24–1604(b) of this subtitle is reached within 60 days, the Authority shall issue the request for proposals within 90 days after the establishment of the Authority; and

(2) If the agreement required under § 24–1604(b) of this subtitle is reached within 90 days as set forth in § 24–1604(d) of this subtitle, the Authority shall issue the request for proposals within 120 days after the establishment of the Authority.

(b) (1) The request for proposals shall require that bidders submit a proposal that does not request or assume public funding in excess of the amount of the State and the county’s funding commitments agreed upon under § 24–1604 of this subtitle and set forth in the request for proposals; and

(2) Responsive bids may propose financial support and resources in excess of the public funding commitment, but any such additional support shall be provided by sources other than the State and the county.

(c) The request for proposals shall allow the Authority to assess and give consideration to a bidder’s plan and ability to:

(1) Meet the goals set forth in § 24–1602(c) of this subtitle for establishing a financially self–sustaining health care system which shall provide high quality, community–oriented health and hospital services to meet the needs of residents of the county and surrounding jurisdictions;

(2) Meet the goals without requiring any State or county funding in excess of the amount agreed upon under § 24–1604 of this subtitle and provided in the request for proposals, with any additional financial support and resources provided by the bidder or sources other than the State or the county;

(3) Supplement the public funding stream with its own or other financial support and resources;

(4) Develop a plan for satisfaction of the obligations and liabilities held by Dimensions, including bond indebtedness, pension liability, malpractice liability, and any remaining encumbrances placed on the real property, assets, and facilities by Dimensions;

(5) Address the chronic problems of attracting and retaining qualified medical personnel to serve the health care needs of residents of the county and surrounding jurisdictions; and

(6) Develop a plan for use of all of the real property, assets, and facilities currently held or operated by Dimensions that shall specify:

(i) The portion or portions of the real property to be transferred under the proposal;

(ii) The specific purposes for which each portion of the real property, assets, and facilities transferred will be used; and

(iii) The projected timeline for the use and development of each portion of the real property, assets, and facilities to be transferred.

(d) The Authority shall select a bidder from among the entities submitting a proposal in accordance with its by–laws adopted under § 24–1607 of this subtitle.

(e) Any agreement for the sale or transfer of the Prince George’s County health care system:

(1) May be made contingent on:

(i) The receipt of specific funding commitments from the State and the county;

(ii) In accordance with § 24–1606 of this subtitle, the transfer of clear legal title to all real property, assets, and facilities to be transferred to the new owner or owners under the agreement; and

(iii) The development potential of the real property remaining consistent with the surrounding areas as necessary to implement the agreement to transfer the Prince George’s County health care system; and

(2) Shall include a plan for the satisfaction of any indebtedness, liabilities, or encumbrances on the real property placed and held by Dimensions as of the effective date of the transfer to the new owner or owners.

(f) Any health care entity that receives the transfer of the Prince George’s County health care system shall be recognized as a merged asset system for certificate of need purposes under Title 19, Subtitle 1 of this article.

(g) (1) The Authority shall establish a time frame and deadlines for the submission of bids and selection of a successful bidder after the request for proposal is issued.

(2) The time frame and deadlines shall ensure that a successful bidder shall be selected and an agreement to transfer the Prince George’s County health care system to a new owner or owners shall be reached in time to present the proposed agreement to the Governor, the Secretary, the State Treasurer, the Senate Budget and Taxation Committee, the Senate Finance Committee, the House Appropriations Committee, the House Health and Government Operations Committee, the County Council, and the County Executive prior to the beginning of the 2009 Session of the General Assembly.

(3) The Authority shall implement and adhere strictly to the time frame, deadlines, and requirements established under paragraphs (1) and (2) of this subsection.

(h) Except as otherwise provided in subsection (i) of this section, if the Authority fails to conduct the bidding process in accordance with the requirements, time frame, and deadlines set forth in this subtitle, the State

and the county shall be relieved of their obligation to commit financial support to the Prince George's County health care system as agreed upon under § 24-1604(b) and (c) of this subtitle.

(i) If the Authority, acting in good faith and with all due diligence, conducts the bidding process in accordance with the requirements, timeframe, and deadlines set forth in this subtitle, but in the judgment of a majority of the Board is unable to make a final selection of a successful bidder and reach final agreement on the transfer of the Prince George's County health care system before the beginning of the 2009 Session of the General Assembly:

(1) The Authority shall submit a report to the Governor, the Secretary, the State Treasurer, the County Executive, the County Council, and, in accordance with § 2-1246 of the State Government Article, the Senate Budget and Taxation Committee, the Senate Finance Committee, the House Appropriations Committee, and the House Health and Government Operations Committee, before the beginning of the 2009 Session of the General Assembly;

(2) The report shall explain why the Authority is unable to make a timely selection of a successful bidder and reach a timely agreement on the transfer of the Prince George's County health care system, including whatever problems there may have been with the bids and the status of any ongoing negotiations over those bids; and

(3) If, in the judgment of a majority of the Authority, an extension of time would enable it to complete the process of selecting a successful bidder and reaching agreement on the transfer of the Prince George's County health care system, the report shall request an extension of time for up to but no more than 60 days, setting forth the amount of time needed and the Authority's plan for completing the process within the proposed period of time.

(j) On agreement of the Governor, the County Executive, the County Council, and the Presiding Officers of the General Assembly, the Authority's request for an extension of time shall be granted.

(k) If, at the end of the extension of time and not more than 60 days from the beginning of the 2009 General Assembly, the Authority has not reached a final agreement on the transfer of the Prince George's County health care system to a successful bidder, the State and the county shall be relieved of their obligation to commit financial support to the Prince George's County health care system as agreed upon under § 24-1604(b) and (c) of this

subtitle.

24-1606.

CAUTION: READ FULL TEXT OF SECTION FOR SPECIAL NOTE

// SPECIAL NOTE: THE FOLLOWING SECTION WAS ADDED BY CHAPTER 680 OF 2008 AND WILL REMAIN IN EFFECT UNTIL MAY 22, 2010 //

(a) (1) On the Authority's selection of a new owner or owners in accordance with the bidding process established under § 24-1605 of this subtitle, and on agreement for the sale or transfer of the Prince George's County health care system to the new owner or owners, disposition of the real property, assets, and facilities owned by the county that are under the possession or control of Dimensions, as a result of any lease agreement with the county, shall occur as follows:

(i) The county shall transfer title to all real property, assets, and facilities of the Prince George's County health care system as part of the agreement for the sale or transfer of the Prince George's County health care system to the new owner or owners for compensation to the county as provided under subsections (b) and (c) of this section; and

(ii) The process for transfer of title shall be completed by the date of final implementation of the agreement for the sale or transfer of the Prince George's County health care system.

(2) Notwithstanding any other provision of this subtitle, any property on which there is no facility defined as part of the Prince George's County health care system and which the new owner or owners of the Prince George's County health care system will not use or develop shall remain under the control and ownership of the county.

(3) The county shall settle all encumbrances the county has placed or been involved in placing for its benefit on the real property, assets, and facilities to be acquired by the new owner or owners prior to the transfer of title, so that, except for any remaining encumbrances placed and held solely by Dimensions, clear legal title will be conveyed.

(b) (1) The county may not receive compensation or credit toward its financial obligations as agreed upon under § 24-1604 of this

subtitle for the real property, assets, and facilities of the Prince George's County health care system that will be used for purposes related to the operations of a health care system, in accordance with the goals set for the health care system in § 24-1602(c) of this subtitle, serving the residents of the county and surrounding jurisdictions.

(2) Specific plans for such use shall be established in the agreement for the sale or transfer of the Prince George's County health care system.

(3) The development of the real property, assets, and facilities for purposes related to the operation of a health care system shall occur and be substantially underway at least 2 years before the end of the period during which the State and the county are providing financial support to the Prince George's County health care system.

(c) (1) For any portion or portions of the real property, assets, or facilities acquired by the new owner or owners that will not be used for purposes related to the operation of a health care system, if any, the county shall be given a credit towards its obligation for financial support of the Prince George's County health care system as agreed upon under § 24-1604 of this subtitle.

(2) The amount of the credit shall be determined by the average of three independent appraisals of the value of that portion or portions of the real property, assets, or facilities, as follows:

(i) One appraisal shall be conducted by qualified appraisers employed by or under contract with the State;

(ii) One appraisal shall be conducted by a qualified appraiser employed by or under contract with the county;

(iii) One appraisal shall be conducted by an independent qualified appraiser selected by the Authority that is neither under contract with the State nor the county; and

(iv) The appraisals may not be reduced by the amount of any remaining encumbrances placed and held by Dimensions or the county.

(3) Any credit may not be reduced by the amount of funding, if any, required to remove any encumbrances placed by or with the involvement of the county for its benefit on the title to the facilities, assets,

and real property conveyed to the new owner or owners.

(4) Any credit shall be applied on a pro rata basis for each year of the county's funding obligation as agreed upon under § 24-1604 of this subtitle.

(d) If the amount of the credit as determined under subsection (c)(2) and (3) of this section exceeds the county's total obligation for financial support, the new owner or owners shall promptly pay the balance to the county.

24-1607.

CAUTION: READ FULL TEXT OF SECTION FOR SPECIAL NOTE

// SPECIAL NOTE: THE FOLLOWING SECTION WAS ADDED BY CHAPTER 680 OF 2008 AND WILL REMAIN IN EFFECT UNTIL MAY 22, 2010 //

(a) (1) Subject to any limitations under this subtitle or other applicable law, the Authority shall have the powers necessary or convenient to further its mission.

(2) The enumeration of specific powers in this subtitle is not intended to restrict the Authority's power to take any lawful action that the Authority determines is necessary or convenient to further its mission.

(b) In addition to the powers set forth elsewhere in this subtitle, the Authority may:

(1) Adopt and alter an official seal;

(2) Sue and be sued, plead and be impleaded;

(3) Adopt bylaws, rules, and regulations to carry out the provisions of this subtitle;

(4) Maintain an office in Prince George's County;

(5) Employ or retain any personnel that the Authority determines to be necessary and fix their compensation;

(6) Enter into any agreements necessary to manage its own

affairs; and

(7) Apply for and receive grants, contracts, or other public or private funding.

(c) The Authority shall receive funding in an amount not to exceed \$1,500,000, divided evenly between the State and the county from the appropriations provided under § 24-1608 of this subtitle.

24-1608.

CAUTION: READ FULL TEXT OF SECTION FOR SPECIAL NOTE

// SPECIAL NOTE: THE FOLLOWING SECTION WAS ADDED BY CHAPTER 680 OF 2008 AND WILL REMAIN IN EFFECT UNTIL MAY 22, 2010 //

(a) Subject to § 24-1604(e)(2) of this subtitle:

(1) For fiscal year 2009, the Governor may include in the budget submitted to the General Assembly an appropriation of \$12,000,000 for the financial support of the facilities, assets, leasehold rights, liabilities, and operations held or operated by Dimensions; and

(2) For fiscal year 2009, the county shall appropriate \$12,000,000 for the financial support of the facilities, assets, leasehold rights, liabilities, and operations held or operated by Dimensions.

(b) Subject to § 24-1604(e)(2) of this subtitle, and unless an agreement for the sale or transfer of the Prince George's County health care system to a new owner or owners is reached that renders the action no longer necessary:

(1) The Governor shall include in the fiscal year 2010 budget submitted to the General Assembly an appropriation of \$12,000,000 for the financial support of the Prince George's County health care system; and

(2) For fiscal year 2010, the county shall appropriate \$12,000,000 for the financial support of the Prince George's County health care system.

(c) The State and the county shall make their respective payments to Dimensions in quarterly increments of \$3,000,000 each, due at the

beginning of every quarter of each fiscal year.

NOTE: The uncodified sections of this law may be found at www.mlis.state.md.us under the link to “Bill information and status,” with the entry of House Bill 1039.

ATTACHMENT B

BID/PROPOSAL AFFIDAVIT

A. AUTHORIZED REPRESENTATIVE

I HEREBY AFFIRM THAT:

I am the (title) _____ and the duly authorized representative of (business) _____ and that I possess the legal authority to make this Affidavit on behalf of myself and the business for which I am acting.

B. AFFIRMATION REGARDING BRIBERY CONVICTIONS

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business (as is defined in § 16-101(b) of the State Finance and Procurement Article of the Annotated Code of Maryland), or any of its officers, directors, partners, controlling stockholders, or any of its employees directly involved in the business's contracting activities has been convicted of, or has had probation before judgment imposed pursuant to Criminal Procedure Article, §6-220, Annotated Code of Maryland, or has pleaded *nolo contendere* to a charge of, bribery, attempted bribery, or conspiracy to bribe in violation of Maryland law, or of the law of any other state or federal law, except as follows (indicate the reasons why the affirmation cannot be given and list any conviction, plea, or imposition of probation before judgment with the date, court, official or administrative body, the sentence or disposition, the name(s) of person(s) involved, and their current positions and responsibilities with the business):

C. AFFIRMATION REGARDING OTHER CONVICTIONS

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business, or any of its officers, directors, partners, controlling stockholders or any of its employees directly involved in the business's contracting activities, has:

(1) Been convicted under state or federal statute of:

(a) a criminal offense incident to obtaining, attempting to obtain, or performing a public or private contract; or

(b) fraud, embezzlement, theft, forgery, falsification or destruction of records, or receiving stolen property;

(2) Been convicted of any criminal violation of a state or federal antitrust statute;

(3) Been convicted under the provisions of Title 18 of the United States Code for violation of the Racketeer Influenced and Corrupt Organization Act, 18 U.S.C. § 1961, et seq., or the Mail Fraud Act, 18 U.S.C. § 1341, *et seq.*, for acts in connection with the submission of bids or proposals for a public or private contract;

(4) Been convicted of a violation of the State Minority Business Enterprise Law, § 14-308 of the State Finance and Procurement Article, Annotated Code of Maryland;

(5) Been convicted of a violation of § 11-205.1 of the State Finance and Procurement Article, Annotated Code of Maryland;

(6) Been convicted of conspiracy to commit any act or omission that would constitute grounds for conviction or liability under any law or statute described in subsection (1) through (5) above;

(7) Been found civilly liable under a state or federal antitrust statute for acts or omissions in connection with the submission of bids or proposals for a public or private contract; or

(8) Admitted in writing or under oath, during the course of an official investigation or other proceedings, acts or omissions that would constitute grounds for conviction or liability under any law or statute described in Section B and subsections (1) through (7) above, except as follows (indicate reasons why the affirmations cannot be given, and list any conviction, plea, or imposition of probation before judgment with the date, court, official or administrative body, the sentence or disposition, the name(s) of the person(s) involved, their current positions and responsibilities with the business, and the status of any debarment):

D. AFFIRMATION REGARDING DEBARMENT

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business, or any of its officers, directors, partners, controlling stockholders, or any of its employees directly involved in the business's contracting activities, has ever been suspended or debarred (including being issued a limited denial of participation) by any public entity, except as follows (list each debarment or suspension providing the dates of the suspension or debarment, the name of the public entity and the status of the proceedings, the name(s) of the person(s) involved and their current positions and responsibilities with

the business, the grounds of the debarment or suspension, and the details of each person's involvement in any activity that formed the grounds of the debarment or suspension):

E. AFFIRMATION REGARDING DEBARMENT OF RELATED ENTITIES

I FURTHER AFFIRM THAT:

(1) The business was not established and it does not operate in a manner designed to evade the application of or defeat the purpose of debarment pursuant to § 16-101, et seq., of the State Finance and Procurement Article, Annotated Code of Maryland; and

(2) The business is not a successor, assignee, subsidiary, or affiliate of a suspended or debarred business, except as follows (you must indicate the reasons why the affirmations cannot be given without qualification):

F. SUB-CONTRACT AFFIRMATION

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business, has knowingly entered into a contract with a public body under which a person debarred or suspended under Title 16 of the State Finance and Procurement Article, Annotated Code of Maryland will provide, directly or indirectly, supplies, services, architectural services, construction related services, leases of real property, or construction.

G. AFFIRMATION REGARDING COLLUSION

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business has:

(1) Agreed, conspired, connived, or colluded to produce a deceptive show of competition in the compilation of the accompanying bid or offer that is being submitted;

(2) In any manner, directly or indirectly, entered into any agreement of any kind to fix the bid price or price proposal of the bidder or offeror or of any competitor, or otherwise taken any action in restraint of free competitive bidding in connection with the contract for which the accompanying bid or offer is submitted.

H. FINANCIAL DISCLOSURE AFFIRMATION

I FURTHER AFFIRM THAT:

I am aware of, and the above business will comply with, the provisions of § 13-221 of the State Finance and Procurement Article, Annotated Code of Maryland, which require that every business that enters into contracts, leases, or other agreements with the State of Maryland or its agencies during a calendar year under which the business is to receive in the aggregate \$100,000 or more shall, within 30 days of the time when the aggregate value of the contracts, leases, or other agreements reaches \$100,000, file with the Secretary of State of Maryland certain specified information to include disclosure of beneficial ownership of the business.

I. POLITICAL CONTRIBUTION DISCLOSURE AFFIRMATION

I FURTHER AFFIRM THAT:

I am aware of, and the above business will comply with, Election Law Article, §§ 14-101--14-108, Annotated Code of Maryland, which requires that every person that enters into contracts, leases, or other agreements with the State of Maryland, including its agencies or a political subdivision of the State, during a calendar year in which the person receives in the aggregate \$100,000 or more shall file with the State Board of Elections a statement disclosing contributions in excess of \$500 made during the reporting period to a candidate for elective office in any primary or general election.

J. DRUG AND ALCOHOL FREE WORKPLACE

(Applicable to all contracts unless the contract is for a law enforcement agency and the agency head or designee has determined that application of COMAR 21.11.08 and this certification would be inappropriate in connection with the law enforcement agency's undercover operations.)

I CERTIFY THAT:

(1) Terms defined in COMAR 21.11.08 shall have the same meanings when used in this certification.

(2) By submission of its bid or offer, the business, if other than an individual, certifies and agrees that, with respect to its employees to be employed under a contract resulting from this solicitation, the business shall:

(a) Maintain a workplace free of drug and alcohol abuse during the term of the contract;

(b) Publish a statement notifying its employees that the unlawful manufacture, distribution, dispensing, possession, or use of drugs, and the abuse of drugs or alcohol is

prohibited in the business' workplace and specifying the actions that will be taken against employees for violation of these prohibitions;

(c) Prohibit its employees from working under the influence of drugs or alcohol;

(d) Not hire or assign to work on the contract anyone whom the business knows, or in the exercise of due diligence should know, currently abuses drugs or alcohol and is not actively engaged in a bona fide drug or alcohol abuse assistance or rehabilitation program;

(e) Promptly inform the appropriate law enforcement agency of every drug-related crime that occurs in its workplace if the business has observed the violation or otherwise has reliable information that a violation has occurred;

(f) Establish drug and alcohol abuse awareness programs to inform its employees about:

(i) The dangers of drug and alcohol abuse in the workplace;

(ii) The business' policy of maintaining a drug and alcohol free workplace;

(iii) Any available drug and alcohol counseling, rehabilitation, and employee assistance programs; and

(iv) The penalties that may be imposed upon employees who abuse drugs and alcohol in the workplace;

(g) Provide all employees engaged in performance of the contract a copy of the statement required by §J(2)(b), above;

(h) Notify its employees in the statement required by §J(2)(b), above, that as a condition of continued employment on the contract, the employee shall:

(i) Abide by the terms of the statement; and

(ii) Notify the employer of any criminal drug or alcohol abuse conviction for an offense occurring in the workplace not later than 5 days after a conviction;

(iii) Notify the procurement officer within 10 days after receiving notice under §J(2)(h)(ii), above, or otherwise receiving actual notice of a conviction;

(j) Within 30 days after receiving notice under §J(2)(h)(ii), above, or otherwise receiving actual notice of a conviction, impose either of the following sanctions or remedial measures on any employee who is convicted of a drug or alcohol abuse offense occurring in the workplace:

(i) Take appropriate personnel action against an employee, up to and including termination; or

(ii) Require an employee to satisfactorily participate in a bona fide drug or alcohol abuse assistance or rehabilitation program; and

(k) Make a good faith effort to maintain a drug and alcohol free workplace through implementation of §J(2)(a)-(j), above.

(3) If the business is an individual, the individual shall certify and agree as set forth in §J(4), below, that the individual shall not engage in the unlawful manufacture, distribution, dispensing, possession, or use of drugs or the abuse of drugs or alcohol in the performance of the contract.

(4) I acknowledge and agree that:

(a) The award of the contract is conditional upon compliance with COMAR 21.11.08 and this certification;

(b) The violation of the provisions of COMAR 21.11.08 or this certification shall be cause to suspend payments under, or terminate the contract for default under COMAR 21.07.01.11 or 21.07.03.15, as applicable; and

(c) Violation of the provisions of COMAR 21.11.08 or this certification in connection with the contract may, in the exercise of the discretion of the Board of Public Works, result in suspension and debarment of the business under COMAR 21.08.03.

K. CERTIFICATION OF CORPORATION REGISTRATION AND TAX PAYMENT

I FURTHER AFFIRM THAT:

(1) The business named above is a (domestic ___) (foreign ___) corporation registered in accordance with the Corporations and Associations Article, Annotated Code of Maryland, and that it is in good standing and has filed all of its annual reports, together with filing fees, with the Maryland State Department of Assessments and Taxation, and that the name and address of its resident agent filed with the State Department of Assessments and Taxation is:

Name: _____

Address: _____

(If not applicable, so state).

(2) Except as validly contested, the business has paid, or has arranged for payment of, all taxes due the State of Maryland and has filed all required returns and reports with the

Comptroller of the Treasury, the State Department of Assessments and Taxation, and the Department of Labor, Licensing, and Regulation, as applicable, and will have paid all withholding taxes due the State of Maryland prior to final settlement.

L. CONTINGENT FEES

I FURTHER AFFIRM THAT:

The business has not employed or retained any person, partnership, corporation, or other entity, other than a bona fide employee, bona fide agent, bona fide salesperson, or commercial selling agency working for the business, to solicit or secure the Contract, and that the business has not paid or agreed to pay any person, partnership, corporation, or other entity, other than a bona fide employee, bona fide agent, bona fide salesperson, or commercial selling agency, any fee or any other consideration contingent on the making of the Contract.

[M. Repealed.]

N. ACKNOWLEDGEMENT

I ACKNOWLEDGE THAT this Affidavit is to be furnished to the Procurement Officer and may be distributed to units of: (1) the State of Maryland; (2) counties or other subdivisions of the State of Maryland; (3) other states; and (4) the federal government. I further acknowledge that this Affidavit is subject to applicable laws of the United States and the State of Maryland, both criminal and civil, and that nothing in this Affidavit or any contract resulting from the submission of this bid or proposal shall be construed to supersede, amend, modify or waive, on behalf of the State of Maryland, or any unit of the State of Maryland having jurisdiction, the exercise of any statutory right or remedy conferred by the Constitution and the laws of Maryland with respect to any misrepresentation made or any violation of the obligations, terms and covenants undertaken by the above business with respect to (1) this Affidavit, (2) the contract, and (3) other Affidavits comprising part of this contract.

I DO SOLEMNLY DECLARE AND AFFIRM UNDER THE PENALTIES OF PERJURY THAT THE CONTENTS OF THIS AFFIDAVIT ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF.

Date: _____ By: _____
(Authorized Representative and Affiant)

ATTACHMENT C

CONTRACT AFFIDAVIT

A. AUTHORIZED REPRESENTATIVE

I HEREBY AFFIRM THAT:

I am the (title) _____ and the duly authorized representative of (business) and that I possess the legal authority to make this Affidavit on behalf of myself and the business for which I am acting.

B. CERTIFICATION OF CORPORATION REGISTRATION AND TAX PAYMENT

I FURTHER AFFIRM THAT:

1. The business named above is a (domestic) (foreign) corporation registered in accordance with the Corporations and Associations Article, Annotated Code of Maryland, and that it is in good standing and has filed all of its annual reports, together with filing fees, with the Maryland State Department of Assessment and Taxation, and that the name and address of its resident agent filed with the State Department of Assessment and Taxation is:

Name: _____

Address: _____

2. Except as validly contested, the business has paid, or has arranged for payment of all taxes due the State of Maryland and has filed all required returns and reports with the Comptroller of the Treasury, the State Department of Assessment and Taxation and the Department of Labor, Licensing, and Regulations, as applicable, and will have paid all withholding taxes due the State of Maryland prior to final settlement.

C. CERTAIN AFFIRMATIONS VALID

I FURTHER AFFIRM THAT:

To the best of my knowledge, information, and belief, each of the affirmations, certifications, or acknowledgments contained in that certain Bid/Proposal Affidavit dated 2005, and executed by me for the purpose of obtaining the contract to which this Exhibit is attached remains true and correct in all respects as if made as of the date of this Contract Affidavit and as if fully set forth herein.

I DO SOLEMNLY DECLARE AND AFFIRM UNDER THE PENALTIES OF PERJURY THAT THE CONTENTS OF THIS AFFIDAVIT ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

Date:

By: _____
(Authorized Representative and Affiant)