

**REQUEST FOR PROPOSAL NUMBER - RP- 57-12**

**DATE ISSUED – February 23, 2012**

**METHOD OF AWARD - COMPETITIVE NEGOTIATION**

**RFP TITLE: Investing In and Delivering Health Care Services, Education, and Research in Conjunction with University of Louisville and University Medical Center**

**PROPOSALS SHOULD BE SENT TO THE DEPARTMENT BY ONE OF THE FOLLOWING METHODS:**

**DELIVER BY U.S. MAIL TO:**  
Department of Purchasing  
University of Louisville  
Louisville, KY 40292

**DELIVER BY COURIER OR OVERNIGHT CARRIER PROPOSALS TO:**  
**OR**  
University of Louisville  
Department of Purchasing  
201 East Warnock  
Louisville, KY 40208

**PROPOSALS MUST BE RECEIVED NO LATER THAN: 2:00 PM EST March 23, 2012 (EST)**

Proposals shall not be opened and read publicly, but the proposals and subsequent negotiations shall be held confidential until a final contract agreement is awarded, at which time the file shall be made a matter of public record and may be reviewed by any interested party.

Equal Employment Opportunity - All parties must be in compliance with executive order 11246 of September 24, 1965, as amended by executive order 11375 of October 13, 1967.

**AUTHENTICATION OF PROPOSAL AND STATEMENT OF NON-COLLUSION AND NON-CONFLICT OF INTEREST**

I hereby swear (or affirm) under the penalty for false swearing as provided by KRS 523.040:

1. That the attached Proposal covering University of Louisville, Department of Purchasing Invitation No. **RP-57-12** has been submitted without collusion with, and without any agreement, understanding or planned common course of action with, any other vendor of materials, supplies, equipment or services described in the invitation designed to limit independent competition.
2. That the proposer is legally entitled to enter into the contracts with the University of Louisville, an agency of the Commonwealth of Kentucky and is not in violation of any prohibited conflict of interest, including those prohibited by the provisions of KRS 45A.325, to 45A.330 to 45A.340, 45A.990 and 164.821(7).
3. Proposer is not delinquent on any state taxes or fees owed to the Commonwealth of Kentucky and will remain in good standing for the duration of any contract awarded.
4. Proposer and its affiliates are duly registered with the Kentucky Department of Revenue to collect and remit the sales and use tax imposed by KRS Chapter 139 to the extent required by Kentucky law: and will remain registered for the duration of any contract awarded.
5. That I have fully informed myself regarding the accuracy of the statements made above.

**SIGNED BY** \_\_\_\_\_ **Print Name** \_\_\_\_\_ **DATE** \_\_\_\_\_

**FIRM** \_\_\_\_\_ **Email** \_\_\_\_\_

**ADDRESS** \_\_\_\_\_

**CITY** \_\_\_\_\_ **STATE** \_\_\_\_\_ **ZIP CODE** \_\_\_\_\_

**AREA CODE (** \_\_\_\_\_ **)TELEPHONE NO** \_\_\_\_\_ **Fax No** \_\_\_\_\_

**FAILURE TO SIGN AND RETURN THIS COVER SHEET SHALL DEEM YOUR PROPOSAL NON-RESPONSIVE**

*University of Louisville  
Request for Proposal*

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Investing In and Delivering Health  
Care Services,  
Education and Research in Conjunction with  
the University of Louisville and University Medical Center*

## NO BID RESPONSE FORM

Please be advised that our company does not wish to submit a bid in response to the above-captioned bid for the following reason(s):

☐

Too busy at this time

☐

Not engaged in this type of work

☐

Project is too large or small

☐

Cannot meet mandatory specifications (Please specify below)

☐

Other (Please specify)

---

---

---

Company Name

Name

---

Street Address

Authorized Signature and Date

---

City, State, Zip

Title

<p>Please return to: University of Louisville Department of Purchasing Service Complex Bldg Louisville, KY 40292</p>
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**Request for Proposal  
RP-57-12  
Investing In and Delivering Health Care Services, Education, and  
Research in Conjunction with  
University of Louisville and University Medical Center**

On behalf of the University of Louisville, University Medical Center, d/b/a University of Louisville Hospital and James Graham Brown Cancer Center, the University of Louisville, Department of Purchasing issues and administers this Request for Proposal in the area of Academic Medicine and Health Care. Consistent with Commonwealth procurement guidelines, the University of Louisville is issuing the Request for Proposal. Any submissions will be jointly evaluated by the University of Louisville and University Medical Center.

The objective of this RFP is to seek a business partner that will bring capabilities, experience, and commitment to include but not be limited to: Critical Care, Facilities/Operations. Teaching/Training and Research.

**1.0 INSTRUCTIONS TO PROPOSERS**

**1.1 PREPARATION OF OFFERS**

Each offeror shall furnish the information required by the solicitation. The offeror shall sign the solicitation and print or type his Name, Firm, Address, Telephone Number and Date. Erasures or other changes must be initialed by the person signing the offer. Offers signed by an agent are to be accompanied by evidence of this authority unless such evidence has been previously furnished to the issuing office.

In the interest of supporting the University of Louisville's initiative to reduce waste and extraneous use of natural resources, the University is requesting the following:

All proposals should be submitted on two-sided recycled paper containing 30% post consumer waste where possible.  
Proposers should refrain from using excessive and unnecessary packaging when shipping or mailing their responses.  
Proposers should refrain from using superfluous binders where possible, especially for the copies being requested.  
Proposers should present peripheral information (i.e. company and product brochures) on CD or DVD where possible or practical.

**1.2 AUTHORITY TO CONTRACT**

Contractor and the principal signing on its behalf, certifies that it is validly organized with authority to do business and perform the terms hereunder, is qualified to do business in KY, if applicable, and is not prohibited from entering into or performing the terms of this agreement for any reason.

**1.3 PRE-CONTRACTUAL EXPENSE**

The University shall not, in any event, be liable for any pre-contractual expenses incurred by the proposers in the preparation of their proposals. Proposers shall not include any such expenses as part of their proposals.

Pre-Contractual expenses are defined as expenses incurred by the proposer in:

- 1) Preparing its proposal in response to this RFP;
- 2) Submitting that proposal to the University;

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- 3) Negotiating with the University any matter related to this proposal;
- 4) Any other expenses incurred by the proposer prior to date of award of the Proposer's Agreement

#### **1.4 AMENDMENTS TO REQUEST FOR PROPOSAL**

Amendments to this Request for Proposal may be necessary prior to the closing date, and will be furnished in the form of written addenda sent to all prospective offerors. Oral communication with any person(s) will not be construed as providing amending data to the specifications, unless converted to the form of written addenda and conveyed to all prospective offerors.

#### **1.5 INTERPRETATION OF REQUEST FOR PROPOSAL**

If any person contemplating the submission of a Request for Proposal has any doubt as to the true meaning of any part of the invitation, he/she should contact **Curtis Monroe, CPPB, Assistant Director Purchasing, (502) 852-8224**. Any interpretation of the specifications will be made by written addenda duly issued to each person known to have received a proposal.

#### **1.6 RESTRICTIONS ON COMMUNICATIONS**

From the issue date of this RFP until a contractor is selected, the proposer's sole point of contact for this proposal is:

- **Curtis Monroe, University Purchasing (502-852-8224)**

If proposers choose to visit the campus, please be aware that no interviews will be granted by University or UMC personnel. Proposers should not attempt to contact or meet with any campus representatives (other than site-visits, see 1.24). In order to insure fair and equal treatment, only questions submitted in writing by the date stated within this Request for Proposal will be entertained. Written responses will then be distributed via addendum and posted at <http://louisville.edu/purchasing/bids>.

For violation of this provision, the University and UMC shall reserve the right to reject the proposal.

#### **1.7 QUESTIONS**

Vendors requesting clarifications to this Request for Proposal may submit in writing questions for official response by the University. Questions should be sent via email to Curtis Monroe at [cmmonr01@louisville.edu](mailto:cmmonr01@louisville.edu) no later than **12:00 PM March 6, 2012**. All questions received shall be addressed by the University and UMC via addenda and sent to all known recipients of the Request for Proposal. Addenda may also be viewed at: <http://louisville.edu/purchasing/bids>

#### **1.8 SUBMISSION OF OFFERS**

Offers and modifications thereof shall be enclosed in sealed envelopes and addressed to the Office specified in the solicitation. The offeror shall show the hour and date specified in the solicitation for receipt, the solicitation number, and the name and address of the offeror on the face of the envelope.

**The Request for Proposal number must appear on the outside of the envelope.**

**Vendors are required to submit: One (1) original (clearly marked)  
Five (5) copies of their proposal  
Electronic Version of their Proposal**

**The Request for Proposal must be signed. FAILURE TO SIGN AND RETURN THE COVER SHEET SHALL  
DEEM the PROPOSAL NON-RESPONSIVE**

## **1.9 PROPRIETARY INFORMATION**

In the event that a response to this RFP contains information that is deemed by an offeror as being of a proprietary nature, the pages containing such information must be clearly marked as **PROPRIETARY INFORMATION** and placed in a separate, marked envelope. The University will disclose this information only to the members of the evaluation committee. However, an offeror cannot classify any information pertaining to contract terms, experience, proposed products or proposed pricing as proprietary information. All information and material returned with each proposal should become part of any contract that results from this proposal and will become a public record. All proposals are subject to the Kentucky Open Records Act (KRS 61.881).

## **1.10 MODIFICATION OR WITHDRAWAL OF OFFERS**

Offers may be modified by written notice received prior to the exact hour and date specified for receipt of offers. An offer may be withdrawn in person by an offeror or his/her authorized representative, provided his/her identity is made known and he/she signs a receipt for the offer, but only if the withdrawal is made prior to the exact hour and date set for receipt of offers. Offers received at the office designated in the solicitation after the exact hour and date specified for receipt will not be considered. Proposals that have clerical errors or any irregularity are subject to correction only with concurrence of the Department of Purchasing.

## **1.11 RECEIPT OF REQUEST FOR PROPOSALS**

Request for Proposals must be received in the Office of the Department of Purchasing, Belknap Campus, Louisville, Kentucky, in a sealed envelope not later than **2:00 PM**, local time, on the specified date, at which time all proposals received will be given to the buyer responsible for the proposal. Proposals received after this time shall be deemed non-responsive as per 200 KAR 5:307 Section 4 and will not be considered for award.

## **1.12 TERMS AND CONDITIONS**

The only acceptable Terms and Conditions are contained within this Request for Proposal, Any Additional Negotiated Terms and Conditions as a result of this RFP and those found within the University General Terms and Conditions, which can be found at:

[http://louisville.edu/purchasing/vendors/PO\\_terms\\_and\\_conditions.html](http://louisville.edu/purchasing/vendors/PO_terms_and_conditions.html)

Bidders shall not include any additional Terms and Conditions. Inclusion of any additional Terms and Conditions of the bidder may be cause for rejection of bid.

## **1.13 SUSTAINABILITY**

The University of Louisville is dedicated to acquiring services that are in accordance with our commitment to sustainability. For the purpose of judging sustainability, the following description applies:

Sustainable Development is enhanced through sound Environmental, Social and Economic practices and technologies that minimize or eliminate waste and negative impacts on current resources.

UofL seeks products and services that pose no significant risk to human health or environmental quality when compared with competing products or services that serve the same purpose. This comparison, where applicable, may consider raw materials and energy acquisition; production and manufacturing; packaging and distribution; and the operation, maintenance, reuse, recyclability or disposal of a product. Materials, products, and workers from the local region are preferred sources, along with companies/contractors that can demonstrate efforts to ensure worker protections and to restore or enhance the environment.

## **1.14 INSURANCE**

### **Insurance Requirements for Standard Contracts**

Before the Contractor becomes entitled to any rights under this contract and prior to taking any action under this contract, Contractor shall have a Certificate of Insurance for Contractor's in-force insurance issued to the University and UMC for the following policies and limits.

#### **MINIMUM COVERAGE AMOUNT**

<b><i>Type of Insurance</i></b>	<b><i>Minimum Limits of Liability</i></b>
<b><i>Commercial General Liability*</i></b> Including: Completed Products Personal and Advertising Injury <b><i>Products/Completed Operations</i></b>	\$1,000,000.00 Each Occurrence  \$2,000,000.00 General Aggregate
Auto Liability* (all owned, hired and non-owned vehicles)	\$1,000,000.00 Combined Single Limit (Bodily Injury, Property Damage)
<b><i>Workers Compensation</i></b>	Statutory Limits – Kentucky and the state(s) of domicile of the Contractor and any subcontractors(s). The all state and voluntary compensation endorsement is to be attached to the policy.
<b><i>Employers Liability</i></b>	\$1,000,000.00 (each employee, each accident and policy limit)

\*Occurrence coverage is required. Claims-made coverage is not acceptable.

These policies (except Workers' Compensation) shall name the University, its trustees, officers, employees and agents and UMC, Inc., its board members, officers, employees and agents as Additional Insured and shall contain a covenant requiring no less than thirty (30) days written notice to the University before cancellation, reduction or other modification of coverages.

These policies shall be primary and noncontributing with any insurance carried by the University and UMC and shall contain a severability of interests clause in respect to cross liability, protecting each Additional Insured as through a separate policy had been issued to each. Certificate of the above policies shall be furnished, to the University, at least thirty (30) days prior to the commencement of services provided under this Contract.

All Certificates of Insurance must clearly state that the Contractor's insurance(s) is PRIMARY. If Contractor's policy has deductibles, self-insured retentions or co-insurance penalties, then all such costs shall be solely borne by Contractor and not by the University nor UMC. The University and UMC will not share in any policy deductibles.

It is hereby agreed that in event of a claim arising under this policy, the company will not deny liability by reason of the Additional Insured being a state, county, municipal corporation or governmental agency.

The limits listed above may be accomplished through a combination of primary and excess/umbrella liability policies written on a "follow form" basis or forms no more restrictive than the primary policies.

## **1.15 AWARD OF CONTRACT - COMPETITIVE NEGOTIATION**

Award shall be made on the proposer offering the best valued proposal to the University and UMC as evaluated based upon the criteria listed within this Request for Proposal. If not feasible to award in the manner proposed, the Department of Purchasing and University and UMC reserve the right to change the method of award.

The contract will be awarded to that responsible offeror whose proposal conforms to the solicitation and will be most advantageous to the University and UMC, under all evaluation factors considered.

The University and UMC reserve the right to reject any or all offers and to waive informalities and minor irregularities in offers received.

A written award (or acceptance of offer) mailed (or otherwise furnished) to the successful offeror shall be deemed to result in a binding contract without further action by either party, and all terms and conditions of this Request for Proposal are hereby incorporated into any such contract.

#### **1.16 INTERVIEW AND NEGOTIATION SESSIONS**

Request for additional information and /or interviews may be required with any institution submitting a responsive proposal. The University and UMC do however reserve the right to limit any on campus and /or teleconference interviews to the top two or three evaluated proposals based upon the original evaluation criteria listed, or may elect to proceed with MOA negotiations with the highest evaluated proposal if deemed to be in the best interest of the University and UMC and that proposal was clearly the best/only proposal received. Should negotiations with the highest evaluated proposal fail to produce a formalized agreement the University and UMC reserve the right to enter into negotiations with the next highest evaluated proposal or cancel the original RFP whichever would best serve the interest of the University and UMC. Regardless, all proposals and additional sessions shall be governed by KRS45A.085.

#### **1.17 DISPOSITION OF PROPOSALS**

All proposals become the property of the University of Louisville. The successful proposal will be incorporated into the resulting agreement by reference.

#### **1.18 CONTRACT PERIOD**

The agreement established by this Request for Proposal will be for the period of Five (5) years with the option to renew for like type subsequent renewal terms upon mutual consent of all parties.

#### **1.19 CONTRACT CHANGES**

During the period of the agreement, no change will be permitted in any of its conditions unless the Institution receives written approval from the University and UMC.

Should the Institution find at any time that existing conditions make modification in requirements necessary he/she shall promptly report such matter to the Department of Purchasing for consideration and decision.

#### **1.20 AMENDMENTS**

It is recognized that subsequent written amendments to the awarded agreement may be necessary; and all such amendments will require the mutual agreement of the parties.

#### **1.21 AGREEMENT RENEWAL**

This agreement may be renewed by mutual agreement between the vendor and the University and UMC. Renewal shall be based on satisfactory performance of the Institution for the work described in the specifications. The Institution shall submit a request for renewal of contract no later than One Hundred eighty (180) days prior to expiration of the contract.

#### **1.22 AGREEMENT CANCELLATION**

The University and UMC reserve the right to cancel any established contract if any policy or procedural changes occur that would warrant discontinued use of the established contract. Additionally if a protest is filed, depending on the outcome of the protest, the contract/order may be cancelled or confirmed.

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### **1.23 PRE-PROPOSAL CONFERENCE**

**A Pre-Proposal Conference for this project will be held February 28, 2012 at 10:00 AM at the University of Louisville, HSC Campus, LOCATION: Center for Translational Research Building, Room 123. 505 South Hancock (Corner of Ali and Hancock).**

The purpose of this meeting is to answer questions pertaining to the requirements of this project. This meeting is to assure that all bidders will have a complete understanding of the scope of the project

**Note: No transcript or report of Pre-Proposal Conference will be provided.**

### **1.24 SITE VISITS**

Each proposer, before submitting a proposal, may visit the UMC Campus to view the existing facilities. To arrange a site visit please contact James Taylor at [JTaylor@ulh.org](mailto:JTaylor@ulh.org). UMC reserves the right to include all interested parties in one designated site visit. Please note that questions or specific personnel meetings will not be addressed or be made available during any site visit and should be submitted as per instructions contained within this RFP.

### **1.25 REQUEST FOR PROPOSAL PROTESTS**

**(KRS45A.285; KRS164A.555 TO 164A.630)**

Any actual or prospective bidder, offeror, or contractor who is aggrieved in connection with the solicitation or selection for award of a contract by the University of Louisville, may file a protest via Certified Mail with the Director of Purchasing within two calendar weeks after such aggrieved person knows or should have known the facts giving rise thereto. An up to date posting of current awards can be found at [http://louisville.edu/purchasing/bids/awarded\\_bids.html](http://louisville.edu/purchasing/bids/awarded_bids.html). All protests must be in writing and must use the phrase "**Request for Proposal Protest**" in the letter. The Director of Purchasing shall review all facts presented and render a determination in writing promptly to the aggrieved person.

The aggrieved person may appeal the determination in writing via Certified Mail within four calendar days to the Associate Vice President for Business Affairs who shall promptly issue a ruling in writing. A copy of such appeal must also be sent via certified mail to the Director of Purchasing. The ruling of the Associate Vice President shall be the final action on behalf of the University. Copies of the bid procedure are available on request from the University of Louisville Purchasing Department.

In the event of a bid protest, the University may notify the successful bidder to suspend the contract/order while the protest is being reviewed. Depending on the outcome of the protest, the contract/order may be cancelled or confirmed. Any questions regarding this procedure should be addressed to the Director of Purchasing, (502) 852-8220.

### **1.26 INDEMNIFICATION**

Any liability of the University to indemnify the Contractor as specified, shall be in accordance with Kentucky Revised Statutes KRS 44.070 to 44.160 (board of claims act) and KRS 45A.245 through 45A.275 (control claims act.)

The Contractor shall defend, indemnify and hold harmless the University, its trustees, officers, employees and agents and UMC, Inc., its board members, officers, employees and agents from and against all losses and expenses (including reasonable cost of attorney's fees) by reason of liability imposed by law upon the Contractor for damages because of bodily injury, personal injury, including death at any time resulting there from, sustained by any person or persons including the Contractor's employees, or on account of damage to property, including loss of use thereof, arising out of or in consequence of the negligent or intentional action or omission, or willful misconduct of the Contractor, provided however, that nothing contained herein shall require the Contractor to indemnify the University for such injuries to persons or damage to property arising out of, or in consequence to the negligent or intentional action, omission or willful misconduct of the University, its

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### **1.28 CONFLICT OF INTEREST**

Firms responding to this Request for Proposal are required to disclose any potential conflict of interest. If the owner of the bidding firm is related to a University of Louisville or UMC employee, that relationship must be disclosed in writing and made a part of the bid response. Definition Related Person: Related person to a University or UMC employee means a spouse or dependent child of such employee. The term extends to other individuals sharing the same household as well as siblings, parents and non-dependent children (including step and in-law variations of those relationships) in circumstances where the University or UMC employee has actual knowledge that such relative is likely to or will benefit from a particular University or UMC transaction.

### **1.29 KENTUCKY CAMPAIGN LAWS:**

By signing this proposal document, the vendor representative certifies that neither he/she nor any member of his/her immediate family hold an interest of 10% or more in any business entity involved in the performance of this contract; or has contributed more than the amount specified in KRS121.056(2) to the campaign of the gubernatorial candidate elected at the election last preceding the date of this contract. The signee further swears under the penalty of perjury that neither he/she or the Company which he/she represents has knowingly violated any provisions of the campaign laws of the Commonwealth; and, that the award of a contract to him/her or the Company which he/she represents will not violate any provisions of the campaign finance laws of the Commonwealth.

### **1.30 COMPLIANCE - STATE LAWS**

It is agreed and understood that any contracts and/or orders placed, as a result of this proposal shall be governed under state laws. The rights and obligations of the parties shall be determined in accordance with the laws of the Commonwealth of Kentucky.

### **1.31 ANTI-KICK BACK**

All Bidders shall comply with the Copeland "Anti-Kick Back" Act (18 USC 874) as supplemented in the Department of Labor Regulations (29 CFR, Part 3). This Act provides that each Bidder, subcontractor or subgrantee is prohibited from inducing, by any means, any person employed in the construction, completion or repair of public work to give up any part of the compensation to which he is otherwise entitled.

### **1.32 ELIGIBILITY TO PARTICIPATE IN GOVERNMENTAL PROGRAMS CERTIFICATION**

Vendor's signature on this solicitation response certifies that the vendor, and where applicable subcontract vendor, or any person performing services under this agreement (i) is not now nor have ever been excluded, suspended, debarred or otherwise deemed ineligible to participate in governmental healthcare, procurement, or other programs; (ii) is not now nor have ever been charged with or been convicted of a criminal offense related to the provision of government healthcare, procurement, or other programs and have not been reinstated in such programs after a period of exclusion, suspension, debarment, or ineligibility. If the vendor, and where applicable subcontract vendor, or any person performing services under this agreement becomes ineligible for participation in such governmental programs in the future, vendor will have a process in place such that subcontract vendor(s) and any person performing services under this agreement will promptly notify the vendor of such ineligibility. The vendor will notify the University buyer of record within seventy-two (72) hours of the vendor becoming aware of the governmental ineligibility of the vendor, any subcontract vendor, or any person performing services under this agreement.

### **1.33 FINANCIAL STRENGTH and STABILITY**

Proposer should indicate the nature and extent of its healthcare operations. Specifically, Proposer should list the number and types of health care facilities (hospitals, nursing homes, ambulatory surgical facilities and other outpatient treatment centers) which it operates, and the period of time it has been engaged in those operations. Proposer should also indicate which of

those facilities have had affiliations with medical schools or other health sciences schools. Copies of audited financial statements for Proposer for its last three (3) fiscal years should be attached, as well as unaudited statements for any periods since the date of its last audited statements. Proposer should specifically report any sanctions to which it, or any of its employees, have had imposed upon them, including any civil monetary penalties paid under the Medicare or Medicaid programs. This disclosure should include the date the sanctions were imposed, a description of the sanctions, and a description of the events which led to the imposition of the sanctions.

## **2.0 Background Information**

The University of Louisville Health Sciences Center is the city's only academic medical center. Approximately 1,000 faculty members are involved in education, research and clinical care. The UofL HSC is home to more than 650 medical and dental residents, 3,000 students pursuing degrees in health-related fields within the Schools of Dentistry, Medicine, Nursing and Public Health and Information Sciences, as well as 14 interdisciplinary centers and institutes. Approximately \$140 million in extramural funding enables researchers to uncover the causes of disease and better ways to prevent, treat and cure those diseases. Patients are seen at the Ambulatory Care Building, the James Graham Brown Cancer Center, the UofL Health Care Outpatient Center, and University of Louisville Hospital, which is the primary adult teaching hospital for the School of Medicine. University Hospital's public mission is steeped in history and now is most clearly visible through its provision of nearly \$90 million of health care to the uninsured annually.

University Medical Center is a private, non-profit organization that provides care through management of University of Louisville Hospital and the James Graham Brown Cancer Center. Rooted in nearly two centuries of service, University of Louisville Hospital, a 404-licensed-bed facility, is the leading academic medical center in the area and offers the benefits of the latest research, equipment and expertise. It is also home to the region's only level 1 Trauma Center – which was the nation's first "accident service" in 1911 – and adult burn unit. The hospital is also the first certified stroke center in the state of Kentucky. Opening in 1981, the James Graham Brown Cancer Center has a focused mission, to relieve Kentuckians' disproportionate burden of pain and suffering caused by cancer. This mission drives the cancer center's state-of-the-art clinical, research, education and outreach programs.

## **3.0 Financial and Operational Structure of University Medical Center, Inc.**

University Medical Center, Inc. (UMC) is the 501(c)3 organization that leases, operates, and manages the University of Louisville Hospital (ULH) and the James Graham Brown Cancer Center (JGBCC) under terms of a 2007 amended 1996 Affiliation Agreement between the Commonwealth of Kentucky, the University of Louisville, and University Medical Center, Inc. (*see Exhibit 1 - Affiliation Agreement*).

The Affiliation Agreement lists specific purposes for the affiliation, and they include: "to provide resources and support so that Hospital can be sustained and enhanced as a state-of-the-art facility providing high-quality health care to patients; to enhance competition by enabling Hospital to compete effectively with for-profit and non-profit multi-hospital systems that have developed regional networks; to sustain and enhance University's education and research in medicine and related Health Science Center programs; to provide a stable mechanism for providing and funding high-quality patient care to the indigent population in Hospital's service area; and to maximize the use of available resources in providing high quality, affordable health care to the public."

While UMC has patient-care related purposes, with some being similar to other hospitals in the community and some being unique in the community or region, it is important to note the special attention given to providing and funding health care services to the uninsured and underinsured populations of our community. Also noteworthy and unique to hospitals in this community and region is UMC's purpose of supporting the University of Louisville's education and research missions.

The University of Louisville Hospital is the primary adult teaching hospital of the University of Louisville School of Medicine (SOM). As a key component of the University of Louisville's Health Sciences Center, ULH is a training site for not only physicians, but also dentists, nurses, pharmacists, technologists, and other health care professionals. ULH supported

the salaries and benefit expenses of 240.7 residents in 2010-2011, the cost of which was in excess of \$16 million. ULH is actively engaged in clinical research through the physician scientists, who are members of our medical staff. ULH provides a significant level of financial support yearly to the School of Medicine and the faculty.

Since 1983, the Commonwealth of Kentucky and local government, today Metro Louisville and prior to 2005, Jefferson County and the City of Louisville, have recognized and supported ULH's role as the safety net hospital for the adult economically disadvantaged population through participating in the Quality and Charity Care Trust (QCCT). The QCCT annually provides funds to help offset the cost to ULH of providing health care services to those who cannot pay for them. The 2011-2012 fiscal year QCCT contractual level of funding is \$34.8 million.

ULH is the primary safety net hospital for the economically disadvantaged citizens of the Louisville community and for many Kentuckians outside of Jefferson County. Faculty physicians, residents, and students offer ambulatory clinics for the underserved and supervise the care for patients hospitalized at ULH. Approximately 25 percent of the patients seen at ULH do not have health insurance. ULH actively partners with other safety net providers, like Portland Family Health Center and Park Duvalle in Louisville, to organize and provide health care services to the most vulnerable people of our community.

Nationally, university teaching hospitals provide a disproportionate amount of "free care," and ULH provides a high level of unreimbursed care compared to the nation's teaching hospitals

The Council of Teaching Hospitals data shows ULH's "charity care charges share of total charges" to be 22.6 percent in the fourth quarter of 2010. This compares to the median teaching hospital experience of approximately 3 percent. In the Louisville Metro area, ULH provides 62 percent of hospital-based charity care (ULH's mission includes support of the uninsured and underinsured in our community, and this data demonstrates that we are clearly meeting that mission).

ULH provides vital clinical services to the people of central and western Kentucky and southern Indiana. ULH is the region's only Level I trauma service (ULH is one of only two adult Level I trauma services in Kentucky). ULH operates the only adult burn service in the region and was the first certified stroke service in Kentucky. ULH houses the emergency psychiatric service for the Metro area, a cooperative activity of the hospital, Seven Counties Services (community mental health services), and the Department of Psychiatry at the University of Louisville School of Medicine.

ULH/JGBCC, like all US hospitals, provides a yearly community benefit report. This report seeks to quantify the financial commitment to vital community needs the organization has made. The reporting criteria have in recent years been standardized throughout the hospital sector. In the last two reported years, UMC's average commitment has been \$150,000,000 per year. In 2009, UMC provided \$74.5 million in charity care (at cost) and \$56.7 million in health professions education, which were funds flows to HSC schools and academic clinical departments to help support their academic and clinical missions.

ULH has a closed medical staff, like many other university teaching hospitals. This means that physicians must have a UofL School of Medicine faculty appointment before they can be considered for medical staff membership. Hospital-based clinical departments' (radiology, pathology, emergency medicine, and anesthesiology) clinical activities are largely limited to ULH, unlike non-hospital-based departments, whose faculty physicians commonly also see patients at other hospitals in the Metro area. All area Metro hospitals have arrangements with hospital-based physicians so that a single service/group provides coverage. These arrangements result in exclusive access to the hospital's patients in return for the service's/group's agreement to meet standards of care and coverage. Being limited to ULH patients subjects the hospital-based departments to the unfavorable payer mix experienced by ULH (approximately 40 percent no pay or Medicaid). As is typical in academic medical center settings, in order to have these vital services available, ULH provides significant support to the hospital-based departments.

When University Medical Center, Inc., took responsibility for ULH and JGBCC in 1996, there existed more than fifty professional service corporations (PSCs) to do the private, clinical practice business of the faculty physicians. Currently, the faculty have recognized that this model of organization is inefficient, operationally and strategically inadequate, and out of step with other Academic Medical Centers (AMC) medical faculty organizations. University of Louisville Physicians (ULP), a unified, not-for-profit group practice, is being formed to offer the faculty an efficient and effective clinical operating organization for the future.

*University of Louisville  
Request for Proposal*

*RP-57-12  
Investing In and Delivering Health  
Care Services,  
Education and Research in Conjunction with  
the University of Louisville and University Medical Center*

ULH functions as a key part of the University of Louisville academic medical center (AMC). AMCs in the US are comprised of a medical school, one or more teaching hospitals, one or more other health profession schools (dentistry, nursing, public health, and pharmacy being the most common), and a faculty practice(s) organization. UofL's AMC consists of the medical school; schools of dentistry, nursing, and public health and information sciences; University of Louisville Physicians, an evolving faculty practice; ULH, the primary adult teaching hospital; Kosair Children's Hospital, the primary pediatric teaching hospital; and affiliated teaching hospitals, Norton Hospital, Jewish Hospital, and the Veterans' Hospital.

While many US AMCs are vertically integrated, UofL's AMC has historically been a decentralized model. Although UofL operates the health professions schools, they have less control than typically found over the teaching hospitals and faculty practices. ULH has evolved in the last forty years from a public, local government-owned charity hospital to a hospital operated by a series of for-profit hospital companies to a hospital governed by a not-for-profit consortium of UofL, Norton Hospital, and Jewish Hospital to a hospital governed by a not-for-profit community-based governing body. Norton Healthcare owns and operates Kosair Children's Hospital, which is staffed primarily by UofL SOM pediatric faculty. UofL's relationship with each of the teaching hospitals is defined by affiliation agreements and contracts.

UMC is governed by a board of directors, a majority of whom may not be affiliated with the University of Louisville. Currently the seventeen member board is made up of nine community members, seven University affiliated members, and one non-voting member, the CEO. UMC's bylaws call for the President of the University of Louisville (or his/her designee) to be chair. The UofL Executive Vice President for Health Affairs, the Dean of the School of Medicine, and a chair of a clinical department in the SOM are all specified by the bylaws as members of the UMC board. The Dean of the School of Arts and Sciences and two UofL board members make up the remainder of the current seven UofL members on the UMC board.

ULH daily operations are overseen by a chief executive officer and a staff of senior executives and managers. The clinical leaders of hospital services are the chiefs of service who, by Affiliation Agreement mandate, are the academic chairs of the corresponding clinical departments. Successful clinical and fiscal hospital operations require the close working relationship between administrative and clinical leadership and proper board of directors' oversight.

The organized medical staff is responsible for the oversight of clinical practice at ULH. The Affiliation Agreement designates the Dean of the SOM (or his/her designee) as chief of staff. Each chief of service is a member of the medical staff's executive committee, which is chaired by the chief of staff. The executive committee recommends to the governing body the credentialing of medical staff members based on the educational and practice qualifications of applicants. This is the primary way in which oversight of practice is carried out.

AMCs depend on clinical revenues from the teaching hospital and the faculty to support the total mission of the enterprise (education, research, clinical service). At the University of Louisville, state and university funding provides 11 percent of the SOM's revenues. ULH provides annual financial support to the ambulatory clinics, where the majority of the uninsured and Medicaid patients are seen. ULH provides significant financial support for the recruitment and retention of faculty physicians needed to care for all patients, including the uninsured and underserved patients treated here. ULH, as well as the other hospital sites where teaching students and residents occurs, provides funding for the cost of graduate medical education (salaries and benefits of resident physicians), a key component of our mission and a vital resource for providing clinical services to ambulatory and hospitalized patients. Further, an annual cash distribution is made from ULH to the UofL HSC in support of the mission of the academic enterprise. The 1996 Affiliation Agreement between ULH (UMC), UofL, and the Commonwealth of Kentucky sets forth the rationale for ULH support to UofL and its faculty.

AMCs are complex organizations because of the interdependencies of the schools, the hospital, and the faculty. The clinical enterprises are called upon to fund the research and education missions, because they are not able to fund themselves. The clinical enterprises depend upon the schools, particularly the school of medicine, to identify and recruit faculty necessary to deliver clinical services, do research, and teach. The faculty depend on the SOM to provide the infrastructure necessary to provide the environment where research, education, and clinical service and training can occur.

The hospital requires the services and leadership of the faculty to set clinical policy, to actively participate in setting strategic and operational direction, to oversee the quality of patient care, to supervise trainees, and to meet the clinical and service

quality needs of patients and families. Faculty at UofL typically receive compensation from both the University and their PSC, or in the future, ULP, the faculty practice organization. They often have duties outside ULH, either at other hospitals or within the SOM. The existence and details of the faculty's arrangements with other hospitals and within each PSC are not normally known to ULH.

With approximately 50 percent of hospital admissions coming unplanned through the emergency and trauma service, ULH must provide around-the-clock standby capacity to meet the needs of the community and region. The hospital employs almost 3,000 full-time equivalent clinical and support personnel to work with and support the attending faculty physicians and residents to meet the varying demands for emergency, urgent, and routine care. Manpower shortages and evolving clinical practices are changing the roles of and relationships among health care providers within teaching hospitals. These changing clinical roles of attending faculty, residents, staff nurses, advanced practice nurses, and other health care professionals make an already complex environment even more challenging to operate in a manner that produces a safe, high quality, and compliant health care service to patients and families.

#### **4.0 Relationship of University of Louisville Physicians, Inc. ("ULP") to the Project**

Most of the physician faculty of the Clinical Departments of the University's School of Medicine practice, or intend to practice, through a separate faculty practice group incorporated as ULP. Although a separate legal entity, ULP considers itself inseparable from the work of the University of Louisville as well as University of Louisville Hospital. Because of the nature of University of Louisville Hospital as a closed staff hospital, the successful bidder will have a continuing relationship, through contract and otherwise, with ULP.

ULP comprises in excess of 600 physicians, over 1200 staff and midlevel providers, and projects \$86M in net revenue by calendar year end 2012.

#### **5.0 PROPOSAL DETAIL SUBMITTAL INFORMATION**

Your Institution's proposal must include sufficient detailed information to include but not limited to data outlining the following:

Proposals should be as specific and as detailed as possible. This information supplied by your institution shall be reviewed by an evaluation committee using the Award Criteria found within this RFP and shall make a recommendation for award negotiations to the Committee Chair.

##### **5.1 Executive Summary Letter**

Information should include but not be limited to:

- Executive Summary of institutions interest and written proposal.
- Identification of the proposer: names of all individuals that will be involved in this proposal, addresses, and contact information.
- Acknowledgment of receipt of RFP addenda, if any;
- Signature of person authorized to bind the offering institution into an agreement if awarded.
- The Executive Summary should be no longer than five (5) pages.

##### **5.2 Clinical Care**

Information should include but not be limited to:

- Investment in the development and expansion of UofL clinical programs in which care is delivered by faculty physicians, fellows, residents, and students through an Academic Affiliation Agreement;

- Building and growing a statewide health care delivery network through collaborative partnerships with the UofL and UMC to improve access to and quality of health care for the people of the Commonwealth of Kentucky;
- Designation of selected UofL clinical programs in which care is delivered by faculty physicians, fellows, residents, and students as preferred network providers;
- Providing care for the underserved and disadvantaged, while maintaining and supporting the growth of currently available clinical services.

### **5.3 Facilities and Operations**

Information should include but not be limited to:

- Enter into a Joint Operating Agreement with UMC, and/or Joint Ventures with UofL and UMC, under which UMC retains sufficient autonomy to provide indigent care as the region's safety net hospital, consistent with its public mission and under which the accreditation of UofL's HSC teaching and training programs are maintained;
- Demonstrated financial strength and stability of proposer. (*see 1.33 FINANCIAL STRENGTH and STABILITY*)
- Capital investment in UMC maintenance and operations, critical renovation, and physical expansion;
- Achieving operational efficiencies and savings;
- Preparing to succeed in an ACO environment.

### **5.4 Teaching and Training**

Information should include but not be limited to:

- Providing resources to recruit and retain health care educators;
- Providing resources to educate and train the next generation of health care providers;
- Achieving system-wide nursing magnet status;
- Embracing interdisciplinary health care training;
- Embracing cutting-edge teaching and training technology (e.g. simulated learning, distance learning).

### **5.5 Research**

Information should include but not be limited to:

- Providing resources to bolster and sustain clinical and translational research infrastructure;
- Expanding clinical and translational research to a broader population across the entire statewide health care delivery network.
- Developing Health Services Research focusing on innovative ways to increase quality, improve efficiency and reduce cost while also exploring other venues to provide care.

## **6.0 AWARD OF CONTRACT - COMPETITIVE NEGOTIATION**

Contract shall be awarded by the competitive negotiation process, in accordance with KRS45A.085. Award will be made to the responsible offeror whose proposal is deemed most advantageous to the University and UMC by the appointed selection committee, based on the evaluation factors included herein. Committee may elect to hold interview/negotiation sessions with respondents based on rankings of proposals submitted or proceed directly to MOA negotiations. Should presentations be scheduled all proposals will be reevaluated by the committee after the interviews. Award will be based on the committee's post interview evaluations.

The University reserves the right to reject any or all offers and to waive informalities and minor irregularities in offers received.

## **7.0 EVALUATION CRITERIA**

<b>Criteria</b>	<b>Percentage of Importance</b>
<b>Clinical Care</b>	<b>33%</b>
<b>Facilities and Operations</b>	<b>33%</b>
<b>Teaching and Training</b>	<b>20%</b>
<b>Research</b>	<b>14%</b>

## **8.0 TIME LINE\***

<b>Issue Date</b>	<b>February 23, 2012</b>
<b>Pre-Proposal Conference</b>	<b>February 28, 2012</b>
<b>Questions Due from Proposers</b>	<b>March 6, 2012</b>
<b>Response to Questions and Clarification</b>	<b>March 9, 2012</b>
<b>Proposal Due Date</b>	<b>March 23, 2012 at 2:00 PM</b>
<b>Presentation/Interviews if required</b>	<b>Week of April 2, 2012</b>
<b>Notification of Intent</b>	<b>Week of April 16, 2012</b>

**\*all dates are subject to change**