SUPPLEMENTAL AGENDA

HIGHLANDS COUNTY HOSPITAL DISTRICT
Board of Commissioners
Highlands County Commissioner's Board Room
600 South Commerce Avenue, Sebring, Florida
Special Meeting
Friday, August 14, 2026

AGENDA ITEM: #8

Staff Analysis for Evaluation Criteria for Comments

This presentation will start discussions about how potential partner of the Hospital will be evaluated in addressing to price. The Minimum Qualifications items need to be met in order for the potential partner to satisfy the threshold level to even be asked to apply for a potential arrangement with HCH. The Background slides cover three areas for the potential partner to complete to allow for further evaluation by the Board. The core criteria are the criteria that the Board would utilize to evaluate the potential partner for a lease or sale. These are all in draft and open to discussion and comment from the Board.

Comments will be received from the Board. A motion may be made for Sunset, Jones Walker, and Harris to work with Chair Gerber to develop documents to support the concepts contained in the Minimal Qualifications, Background, and Core Criteria slides and be brought to the Board for the next meeting.

JONES WALKER

Sunset Healthcare Consultants, LLC

Minimum Qualifications, Background and Core Criteria to Evaluate Potential Lease or Sale

Prepared for:
Highlands County Hospital District

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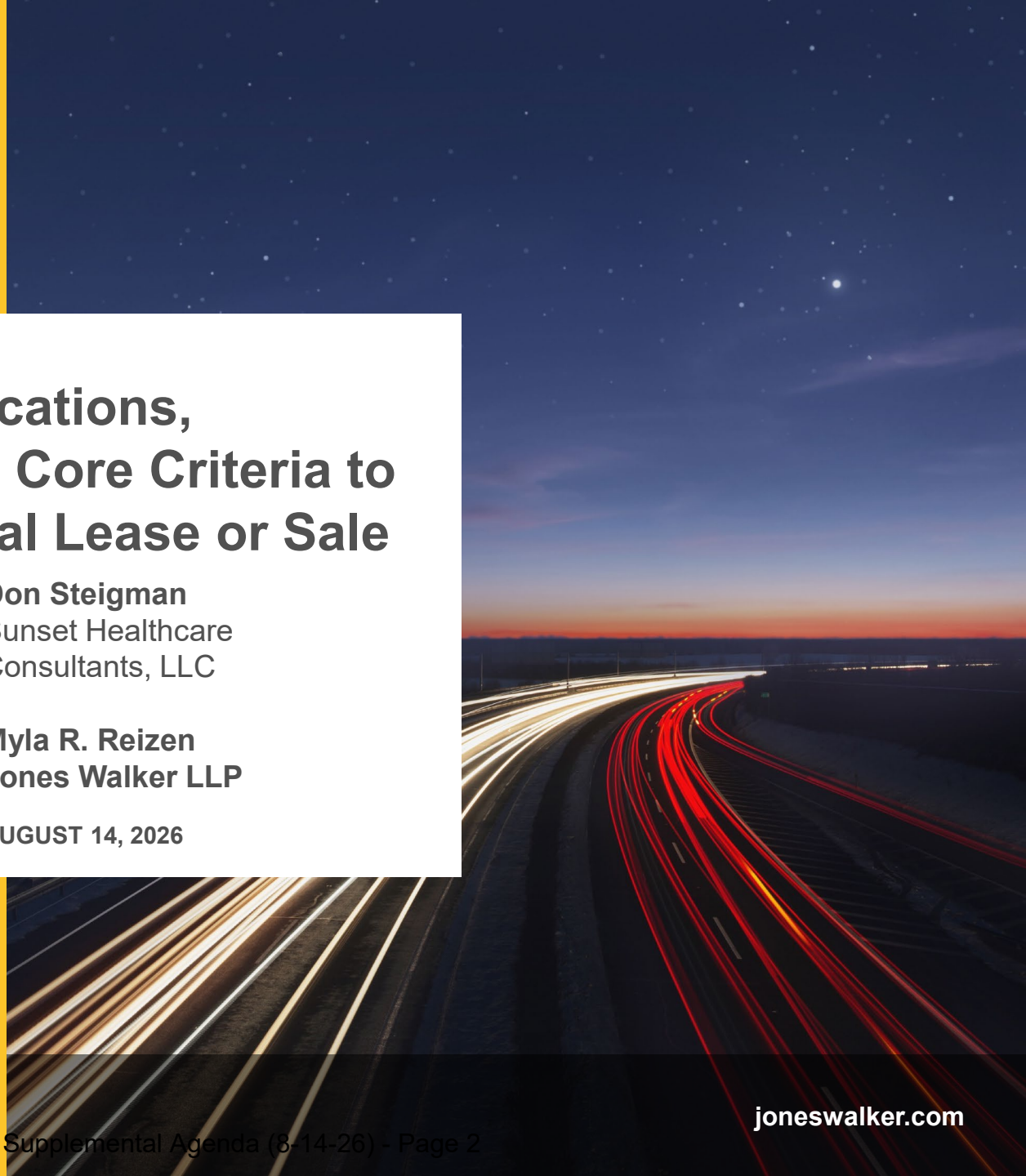
AUGUST 14, 2026



Agenda

I. Minimum Qualifications of the Applicant

II. Background to be Completed by the Applicant

III. Core Criteria to Evaluate Potential Lease or Sale

MINIMUM QUALIFICATIONS OF THE APPLICANT

I. Minimum Qualifications of the Applicant

Minimum Qualifications to be demonstrated with the proposal:

- Organization currently operates an acute care hospital in Florida
- Organization has a presence in Florida for over 10 years
- Hospital(s) are licensed by Agency for Health Care Administration
- Hospital(s) are Medicare certified and enrolled with Medicaid
- Hospital(s) are accredited by The Joint Commission on the Accreditation of Healthcare Organizations
- Organization is capable of establishing and maintaining transfer agreements with Level I and/or II trauma center(s)

I. Minimum Qualifications of the Applicant (continuation)

- Proven financial stability with documented capital to successfully operate and invest in a hospital on a long-term basis
- Experience with rural hospital(s)

BACKGROUND TO BE COMPLETED BY THE APPLICANT

II. Background to be Completed by the Applicant

1. Current Organization Overview of the Applicant
2. Interest & Benefit in Proposed Transaction
3. Current Operational Overview of the Applicant.

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1. Current Organization Overview of the Applicant

- Overview of organization, including its history, current and future plans
- Location of organization and facilities with a focus on Florida and proximity to HCH
- Depth/breadth of services, including number of acute, post-acute and other providers. For hospitals, include the type of hospital, number of beds, location
- Focus on rural providers, historic and future initiatives
- Top 5 recent Initiatives of organization
- Culture & Mission of organization

2. Interest & Benefit in Proposed Transaction

- Reason for Lease or Purchase of HCH, including benefits to future organization
- Proposed transaction, including Lease or Purchase, and proposed term of Lease
- Proposed integration of HCH into current organization
- Similar transactions for the organization, including type of arrangement, year, services added or eliminated, any access improvements, and success of integration
- Benefits to HCH by transaction proposed above, including enhancement and addition of services and access

3. Current Operational Overview of the Applicant

- Operational metrics, such as Total Net Revenue, Net Patient Revenue, EBIDTA, Operating Income
- Debt rating
- Quality metrics, including CMS and AHCA
- National and regional rankings of organization, including organization and service line
- Community involvement, including community programs

CORE CRITERIA TO EVALUATE POTENTIAL LEASE OR SALE

Core Criteria to Evaluate Potential Lease or Sale

1. Quality
2. Governance, Compliance and Integrity
3. Services
4. Care Delivery
5. Commitment to Community
6. Employees, Physicians & Community Partners
7. Investment

1. Quality

- History of quality initiatives for the organization (including results)
- Future quality initiatives for HCH (and any data analysis to determine need)
- Enhance the clinical quality of current services and programs
- Data scores for the organization, including CMS metrics (CMS star ratings, core measure, and HCAHPS scores) and AHCA scores
- Current priorities and accomplishments, including measurement
- Current infrastructure and resources in organization to support quality
- Commitment of infrastructure and resources to Highlands County Hospital

1. Quality (continuation)

- Commitment to specific quality targets and timeframe for commitment
- Collaborative efforts to improve quality in rural settings
- Findings of recent surveys, settlements, state survey results, accreditation survey findings and subsequent resolution of any corrective action plans at rural settings
- Malpractice history
- Settlements (not involving malpractice) for amounts to exceed $50,000 individually and collectively

2. Governance, Compliance and Integrity

- Current governance structure and process
- Proposed governance structure and process in HCH
- Compliance program for the organization, including inception date and quality as an element
- Ethics program for the organization, including inception date
- Privacy and IT Security Program for the organization, including inception date
- Violation of law determined by government entity, AHCA, CMS (materiality)

2. Governance, Compliance and Integrity (continuation)Added

- Self-disclosures to the government in past 5 years
- Agreements the organization entered into with the government in past 5 years, including Corporate Integrity Agreement(s)
- Awards or accolades associated with compliance, ethics and integrity

3. Services

Baseline Services to be Provided at HCH

Services	Description
General med/surg	Inpatient Care
Critical Care Medicine	ICU Unit
Radiology	Biopsy Breast Imaging CT Scan Echocardiogram Fluoroscopy Interventional Radiology MRI Nuclear Medicine PET/CT Scan Ultrasound X-Ray

3. Services (continuation)

Baseline Services to be Provided at HCH

Services	Description
GI Service	
Emergency Dept.	
Cardiology	Routine Cardiology Cardiac Catheterization
Laboratory Services	All to be provided
Nephrology	
Neurology	Stroke Care
Orthopedic Services	
Pharmacy	

3. Services (continuation)

Baseline Services to be Provided at HCH

Services	Description
Primary Care	Family Practice Internal Medicine
Pulmonology	
Rehabilitative Services	Occupational Therapy Outpatient Services Physical Therapy Speech Therapy
Respiratory Care	
Surgical Services	General Vascular ENT Orthopedic Ophthalmology

3. Services (continuation)

- Proposed services to be provided on-site and/or remote. Specify services that would be provided remotely.
- Proposed services to be provide full-time, part-time, including call coverage
- Commitment to current services and commitment to current access to care
- Potential challenges to address the needs of this service area and plans to address
- Commitment to future growth of services and access to care
- Community Awareness of Hospital and Services for HCH

4. Care Delivery

- Care delivery model, e.g. hub and spoke model
- Proposed telehealth services to be provided to HCH
- Experience with transfers of patients between hospitals in rural markets, include quality outcomes
- Current network in area receiving transfers
- Number of anticipated transfers from HCH
- Relationship with other clinical providers in area, including receiving hospitals in area

4. Care Delivery (continuation)

- Quality of receiving hospitals from HCH, including data scores from Quality Section above
- Experience integrating rural hospitals
- Improvement of delivery of care to HCH by organization

5. Commitment to Community

- History of community involvement in areas where hospital(s) is currently located, including any data analysis to determine a need
- History of community involvement in any rural settings, including any data analysis to determine a need
- Future plans for community involvement to Highlands County Hospital and Highlands County from a long-term commitment perspective and how was it determined
- Commitment to care of indigent patients and charity care in Highlands County; what is the current amount of care that is provided to indigent patients and charity care by the organization; This would include providing a policy for the organization currently and one that would apply to HCH.

5. Commitment to Community (continuation)

- Specialized programs that would be provided to the residents of Highlands County that improve the overall community; what are any specialized programs provided by the organization at this time
- History, including grants or contributions that would be made by the organization to the community; what are any grants or contributions that are currently provided by the organization at this time
- Programs that would provide preventative care to Highlands County; what are any programs currently provided by the organization
- History of community efforts and partnerships to target health outcomes

6. Employees, Physicians & Community Partners

- Commitment to current employees, including position and benefits
- Recruitment and retention of employees
- Development, education and training of employees
- Potential staff and provider shortage in area and steps to address (Commitment to address)
- Employee satisfaction scores
- Physician satisfaction scores
- Employment, retention and recruitment of high quality physicians
- Arrangements with Community Partners (including improvement of care in the community)
- Trends for recruitment and retention in rural markets

7. Investment

- Investment in routine and strategic capital
- Total Capital commitment: Years 1-5, Years 6-10, and Years 10 plus; this would include facilities, equipment, fixtures, IT-related software and hardware
- History of investment in technology, EMR and care coordination
- Proposed investment in technology, EMR and care coordination
- Detailed financial position of organization to support investments above

AGENDA ITEM: #10

INTRODUCTION TO THE PROCESS RECOMMENDED FOR SALE OR LEASE OF THE HOSPITAL (PROCESS)

The Board's attorneys are recommending a commonly used procurement process. A full presentation will follow at the next meeting.

The attached materials show the workings of Chapter 287, Florida Statutes, the Administrative Procedure Act, and the competitive solicitation and bid standards that apply to state agencies under that chapter.

The District is not required to follow these standards. However, the Board should consider adopting a comparable framework for sale or lease should the Board move forward with the process set out in the amended enabling act.

HB 4087 requires the Board, before a lease or sale, to advertise the meeting at which the transaction will be considered or to advertise an offer to accept proposals and receive proposals from all qualified respondents. It also allows judicial review limited to whether the Board followed the required procedures.

Because review turns on process rather than outcome, setting the rules in advance, applying them consistently, and documenting the process supports both the integrity of the process and the Board's ultimate decision. It also gives the public and respondents clear expectations about the criteria, timeline, and opportunities to raise concerns. These materials address how a process would be run, not whether to run one. This process will not narrow the Board's options, including continuing to work with the District's current lessee.

There is no motion associated with these materials today. They are being provided so that Board members have an opportunity to familiarize

themselves with the concepts in advance of a full presentation and consideration of adoption at the Board's next meeting.

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Memorandum

Date: August 12, 2026

RE: Why Utilizing Chapter 287, Florida Statutes, Is a Best Practice

Overview

Using Chapter 287 of the Florida Statutes as a voluntary procurement guide is a recognized best practice for entities, even those entities that are not strictly bound by it, such as certain local boards, non-profits using grant money, or quasi-public authorities. Many legal analyses and municipal guidelines show that treating Chapter 287 as a baseline playbook offers major structural advantages.

The District's Enabling Act establishes the legal requirements the Board must satisfy if it elects to pursue a lease, management agreement, or sale of the hospital. The Act does not, however, prescribe every procedural detail of the competitive process through which proposals are to be solicited, received, evaluated, and compared. The Board may therefore establish a more detailed procurement process to govern those steps.

Under such an approach, the District would not be converting the transaction into a Chapter 287 procurement or incorporating every requirement applicable to a state agency. Instead, the Board would voluntarily adopt those elements of the Chapter 287 process that are useful to this transaction: establishing the rules before proposals are received; providing prospective respondents equal access to the solicitation and material information; identifying evaluation criteria and their relative importance in advance; restricting communications outside the established process; evaluating proposals against the published criteria; documenting the basis for the evaluation; and providing written notice of the result.

Those procedural protections fit particularly well with the requirements of the District's Enabling Act. For either a lease or sale, the Act requires the Board to determine that the transaction is in the best interests of the public of the District and to state the basis for that finding. If the Board proceeds to consider proposals, it must consider all proposals received and ultimately make detailed written findings explaining the reasons for accepting the selected proposal.

A well-designed competitive process therefore serves two related purposes. First, it provides qualified entities with a fair and understandable opportunity to compete for the transaction. Second, it develops an organized

factual record from which the Board can ultimately make the findings required by the Enabling Act. The principal benefit of voluntarily utilizing a Chapter 287-style RFP process is not that Chapter 287 produces a particular result. It does not. Its value is that the process is established before anyone knows which respondent will ultimately benefit from it.

The Board determines the objectives. The RFP translates those objectives into requirements and evaluation criteria. All qualified respondents receive the same solicitation and an opportunity to compete. Questions and material information move through an established channel. Communications are controlled. Proposals are evaluated against criteria announced in advance. Financial consideration and fair market value are evaluated alongside the substantive commitments relevant to the future of the hospital. The evaluation is documented. Negotiations occur within a process disclosed to respondents. And the resulting record provides the Board with the information necessary to make and explain its ultimate determination.

That structure is particularly well suited to the District's Enabling Act because the Act does not direct the Board merely to maximize price. It requires the Board to determine what is in the best interests of the public of the District, while specifically requiring consideration of fair market value and heightened justification when the selected proposal falls below that value.

A competitive RFP process modeled on Chapter 287 provides a disciplined method for making that broader determination. It allows the Board to define what the interests of the community require before competing proposals are known, obtain the information necessary to evaluate those interests, compare qualified respondents on a common basis, and create a transparent record demonstrating how the Board ultimately reached its decision.

Ch. 287 Provides A Safe Harbor Against "Arbitrary" Lawsuits

The final but important benefit of adopting Chapter 287 procedures voluntarily is that it establishes an immediate defense against litigation. If a disgruntled bidder sues an entity for favoritism, demonstrating that the District strictly mirrored the state's gold standard (F.S. §287.057) makes it incredibly difficult for a plaintiff to prove the process was arbitrary or capricious.

Institutional Ethics Shielding

Voluntarily integrating Chapter 287's mandatory provisions helps to protect board members from conflict-of-interest allegations. By explicitly writing Chapter 287 clauses directly into proposals and contracts, an organization builds a structural shield against operational corruption and administrative overspent liabilities. This would certainly include, but is not limited to, "cone of silence" style requirements that prevent bidders from interacting with the entity seeking bids once the procurement documents are released to the public.

Key Provisions

1. **Use of a Request for Proposals**

The recommended competitive solicitation would be structured as a Request for Proposals, or RFP. An RFP is appropriate when the objective and required deliverables can be identified, but different respondents may offer different combinations or approaches for satisfying those requirements. Chapter 287 expressly recognizes that distinction.

For an RFP, the solicitation must identify the relative importance of price and the other evaluation criteria, and the award is made based upon the proposal determined to be most advantageous after considering both price and the other criteria contained in the RFP. That model is particularly appropriate here because the Board's determination cannot reasonably be reduced to a single financial number.

The District can identify the core outcomes it expects from any future operator or purchaser while allowing qualified respondents to propose different combinations of financial consideration, services, capital commitments, operational plans, and other benefits to the community. The RFP would therefore provide the mechanism through which the Board translates the Enabling Act's broad requirement that the transaction serve the best interests of the public into specific questions and measurable evaluation criteria.

2. Development of the RFP

The first and most important step in the procurement process is preparing the RFP itself. The RFP becomes the roadmap by which the remainder of the process will be conducted. Before publication, the Board must determine what it is asking respondents to propose, what requirements every acceptable proposal must satisfy, what information respondents must provide, and how competing proposals will be evaluated.

A thorough RFP should begin with sufficient background information to allow a qualified respondent to understand the opportunity. This would include an overview of the District and hospital, the purpose of the solicitation, the nature of the transaction being considered, relevant statutory requirements, the Board's principal objectives, and the anticipated process and schedule.

The RFP should then identify the core issues each respondent must address. Those issues should be derived principally from the considerations that will allow the Board to determine whether a proposed transaction is in the best interests of the public of the District. Among other requirements, an ultimate lease or sale agreement must address the orderly transition of hospital operations and include enforceable commitments concerning the continuation of programs, services, and quality health care, particularly for indigent care. Building those issues into the RFP does more than assist with comparing respondents. It creates a direct connection between the solicitation, the information the Board receives, and the statutory findings the Board must ultimately make.

3. Mandatory Requirements and Evaluated Criteria

The RFP should distinguish carefully between mandatory requirements and scored evaluation criteria. Mandatory requirements establish the threshold conditions a respondent must meet to remain eligible for consideration. These might include legal authority to enter into the transaction, required financial capability, submission of specified information, acceptance of particular statutory obligations, required certifications, or other minimum qualifications established by the Board.

Evaluation criteria serve a different function. They allow the District to compare the relative strength of proposals that have satisfied the threshold requirements. The distinction should be established before the RFP is issued. A requirement that will result in rejection of a proposal should be clearly identified as mandatory. A factor that will instead affect how favorably the proposal is evaluated should be identified as an evaluation criterion. This prevents the District from having to decide, after proposals have been received, whether a particular requirement was intended to be absolute or merely comparative.

4. Evaluation Criteria and Best Interest of the Public

The evaluation criteria are the substantive center of the RFP. The District's Enabling Act requires the Board to determine whether the interests of the public of the District are best served by the proposed transaction and requires the Board to make detailed written findings explaining the reasons for accepting the selected proposal.

The RFP should therefore be designed to produce the information necessary for the Board to make that determination. Rather than leaving "best interests of the public" as an undefined concept to be considered only at the end of the process, the Board can identify in advance the principal factors it believes are relevant to that determination. Those factors then become the core components of the RFP and its evaluation methodology.

For example, the Board may determine that the long-term availability of particular hospital services is an important community interest. The RFP can require each respondent to identify the services it commits to maintain, expand, or develop and can assign weight to that commitment during evaluation.

The same approach can be used for capital investment, access to care, quality, workforce, financial stability, community benefit, and the other priorities the Board identifies. This does not predetermine which proposal is in the best interests of the public. Rather, it establishes in advance the information and considerations the Board believes are relevant to answering that question. The result is a process in which respondents understand what matters to the District before submitting proposals and the Board ultimately receives a structured comparison of how each proposal addresses those priorities.

5. Price, Total Value and Fair Market Value

Financial consideration must be a clearly identifiable component of the RFP and its evaluation. Chapter 287's RFP structure requires price to be considered together with the other published evaluation criteria and requires the relative importance of price and those other criteria to be identified in the solicitation.

For this transaction, that concept must be integrated with the more specific requirements of the Enabling Act concerning fair market value. The Enabling Act requires the independent evaluation preceding a potential transaction to include an assessment of the fair market value of the District's assets. It also requires the Board's ultimate findings to identify the estimated total value associated with the proposed agreement, the estimated fair market value, and the proposed lease price or acquisition price, as applicable. Accordingly, the financial portion of the RFP should be structured so that the District can meaningfully compare the economic components of competing proposals and evaluate them against the established fair market value.

That may require more than asking respondents to provide a single price. Depending upon the contemplated transaction, economic value could include an acquisition or lease payment, payment structure, assumed obligations, committed capital expenditures, or other quantifiable economic components. The RFP should require those elements to be presented in a common format to the extent reasonably possible so that the proposals can be compared.

Fair market value is therefore an important and separately identifiable part of the Board's evaluation, but the Enabling Act does not make it the only consideration. The Act expressly contemplates the possibility that the Board could accept a proposal for less than fair market value. If it does so, however, the Board must provide a detailed explanation of how the best interests of the public of the District are served by accepting less than fair market value.

That provision is significant to the structure of the RFP. It confirms that the Board's ultimate inquiry is broader than simply identifying the proposal containing the largest financial offer. At the same time, it places an additional burden on the Board if the selected proposal falls below fair market value. The RFP should therefore generate a record that permits both questions to be answered: what economic value does each proposal provide, and what additional benefits or commitments does each proposal provide to the community?

If the proposal ultimately selected is below fair market value, the evaluation record should permit the Board to identify specifically the community benefits, services, commitments, or other considerations that support that decision. The justification should flow from the same criteria established before proposals were received rather than being developed for the first time after a preferred respondent has been identified.

6. Weighting and Scoring

Before proposals are received, the District should determine the relative weight assigned to the major evaluation categories. Chapter 287 requires an RFP to disclose the relative importance of price and the other evaluation criteria. It also requires proposals to be evaluated according to the criteria established in the solicitation and requires documentation supporting the basis for the ultimate award. A voluntary process modeled on those requirements would use the same principle.

The RFP might, for example, divide the evaluation among financial value, hospital services and access, capital commitments, quality, experience and operational capability, workforce, community benefit, and other Board priorities. The actual categories and point allocation should be determined only after the Board establishes what it considers most important to the future of the hospital The process does not require every issue to carry the same weight. To the contrary, assigning relative weights forces the District to decide before proposals are received which issues matter most.

The RFP should also describe how proposals will be scored and whether certain criteria are evaluated numerically, qualitatively, or through a combination of both. Wherever possible, evaluators should be provided standardized scoring materials tied directly to the criteria contained in the RFP.

Scoring is a tool for organizing and comparing information. The ultimate value is that every respondent is evaluated using the same considerations and that the record demonstrates how those considerations were applied.

7. Procurement Schedule

The RFP should establish a complete anticipated schedule for the competitive process. That schedule would ordinarily include the date the RFP is advertised and released, the deadline for respondent questions, the date the District anticipates issuing answers, any respondent conference or site visit, the proposal submission deadline, the public opening, the evaluation period, any presentations or interviews, the period for negotiations, the anticipated posting of a recommendation or notice of intended award, and the anticipated date for Board consideration.

The RFP should expressly reserve the District's ability to modify the schedule when necessary. Any material modification should be made through a written addendum distributed in the same manner as other procurement information. Providing the complete schedule at the outset gives respondents a common understanding of the process and reduces the potential for informal or inconsistent communications concerning timing.

8. Advertisement

Once the RFP has been finalized, the District would publicly advertise the solicitation. The Enabling Act specifically provides that, if the Board chooses the proposal process, it must publicly advertise the offer to accept proposals in accordance with section 255.0525, Florida Statutes, and receive proposals from all qualified lessees or purchasers.

Section 255.0525 establishes public-advertisement requirements for competitive bids and proposals by political subdivisions, including timing requirements tied to the established proposal opening. For covered local projects exceeding $500,000, the statute uses a 30-day advertisement period and requires publication in a newspaper of general circulation in the county. Because the Enabling Act specifically incorporates section 255.0525 into this process, the RFP schedule and advertisement should be developed to satisfy the applicable notice standard.

The District may also provide broader notice than the statutory minimum. For a transaction involving a hospital, the objective should be to make the opportunity known to the reasonably identifiable universe of qualified health systems, hospital operators, and other potential respondents. The District could therefore supplement the required public advertisement with posting on the District's website, appropriate electronic or industry publications, and direct notice of the publicly available solicitation to entities reasonably believed to be qualified to participate. Broader notice does not provide those entities with preferential access. Every potential respondent should be directed to the same publicly available RFP and receive the same procurement information.

9. Questions, Answers, and Equal Access to Information

After the RFP is issued, prospective respondents should have a formal mechanism for requesting clarification. Chapter 287 expressly permits a written question-and-answer period or vendor conference before proposals are due for the purpose of ensuring that vendors fully understand the solicitation and requires vendors to receive fair and equal treatment.

The RFP should establish a similar process. Potential respondents would submit questions in writing to a designated procurement contact by a specified deadline. The District would review the questions and issue written responses available to all participants. Any answer that provides substantive information regarding the RFP or transaction should be available to all prospective respondents rather than communicated privately to one participant.

If a question reveals an ambiguity, omission, or issue requiring modification of the RFP, the District may issue an addendum. Addenda should become part of the solicitation and should be distributed or posted in a manner reasonably calculated to provide the same information to all potential respondents. This process establishes a single body of information upon which every proposal is based.

10. Communications and the "Cone of Silence"

The RFP should also establish clear limitations on communications during the procurement. Once the solicitation is issued, respondents and persons acting on their behalf should be directed to communicate about the RFP only through the designated procurement contact or through another process specifically authorized in the RFP.

The restrictions should identify the point at which the "cone of silence" begins, the persons to whom it applies, the types of communications that are restricted, and when the restriction terminates. The prohibition could include procurement-related communications with individual Board members, evaluators, District personnel, consultants, or other persons participating in the evaluation unless the communication occurs through an authorized part of the process.

This does not prevent legitimate questions, site visits, presentations, due diligence, or negotiations. Those activities occur through the mechanisms established in the RFP. The purpose is to prevent one respondent from receiving information, access, or an opportunity to influence the process that is not similarly available to others.

11. Conflicts of Interest and Unfair Competitive Advantage

The procurement should contain clearly defined conflict-of-interest requirements. The Enabling Act independently requires Board members to disclose conflicts as required by section 112.313, Florida Statutes, including whether a transaction would result in a special private gain or loss to a Board member. It also requires disclosure of conflicts involving experts retained by the Board.

The RFP can supplement those statutory requirements with procurement-specific protections. Respondents could be required to disclose relevant relationships with Board members, District representatives, consultants, or others involved in the process. They could also be required to identify circumstances in which the respondent or an affiliate previously performed work relating to the District or hospital that could provide access to material nonpublic information unavailable to competing respondents.

Similar disclosures should be obtained from evaluators and other individuals materially participating in the evaluation. Potential conflicts do not necessarily require automatic exclusion. The process should provide a mechanism to identify the issue, determine whether it affects the integrity of the competition, and determine

whether the concern can appropriately be mitigated. The important procedural point is that those questions should be addressed according to established standards and as early in the process as reasonably possible.

12. Receipt and Opening of Proposals

The RFP should establish a specific deadline, location, and method for submission of proposals. Chapter 287 requires competitive solicitations to state the time and date for receipt and public opening and requires the solicitation to be made available simultaneously to vendors. The Enabling Act's incorporation of section 255.0525 likewise contemplates receipt and opening at the location, date, and time established in the advertisement.

The District should use the same basic safeguards. Proposals should remain sealed or otherwise inaccessible for substantive review until the established deadline. The District should document which proposals were received and when they were received. After the submission period closes, proposals can first be reviewed for compliance with the mandatory requirements of the RFP. Respondents satisfying those requirements would proceed to substantive evaluation.

13. Evaluators and Evaluation of Proposals

The District should establish in advance how proposals will be evaluated and who will perform that evaluation. Evaluators may include District representatives, independent experts, or a combination of both. Depending upon the scope of the RFP, different expertise may be useful for evaluating financial, operational, clinical, legal, and community-related components. Evaluators should receive the same proposal materials, scoring instructions, and evaluation criteria. They should evaluate proposals based upon the information requested in the RFP and the criteria established before proposals were received.

Evaluators should not create new criteria after reviewing the proposals. If an issue is important enough to materially affect the comparative evaluation, it should have been identified in the solicitation or otherwise fall reasonably within one of the published criteria. The evaluation record should include the scoring materials and other documentation necessary to understand how the proposals were assessed. Chapter 287 follows the same basic approach by requiring RFP proposals to be evaluated using the published criteria and requiring the contract file to contain documentation supporting the basis upon which the selection was made.

14. Potential Negotiations following Evaluation

The District's process will not necessarily end when the initial scoring is completed. The Enabling Act provides that the Board's determination to accept a proposal is made after consideration of all proposals received and negotiations with a qualified lessee, management entity, or purchaser, as applicable.

The RFP should therefore advise respondents from the outset that the competitive process may include negotiations or a potential narrowing of candidates before a final agreement is presented to the Board. The RFP should reserve the District's right to seek clarification of proposed terms, negotiate transaction documents, address contingencies, refine enforceable commitments, and negotiate other matters necessary to transform the selected proposal into a complete proposed agreement.

The RFP is being used as a procedural model, while the Enabling Act governs the transaction itself and specifically anticipates negotiations. The critical issue is that the RFP explain the anticipated process in advance so that all respondents understand that the initial proposal is part of a competitive evaluation that may be followed by negotiations before final Board action. If the Board or evaluation process identifies a preferred respondent for negotiations, that designation should not be confused with final approval of the transaction. Final approval remains with the Board and remains subject to the requirements of the Enabling Act.

15. Recommendation and Notice of Intended Award

Following evaluation and any process established for presentations, clarification, or preliminary selection, the District can publicly identify the respondent recommended for further action. A Notice of Intended Award or similar notice provides a clear end point to the competitive evaluation phase and identifies the proposal that has emerged from the process. The recommendation should be supported by the evaluation record. It should reflect the criteria and weighting established in the RFP rather than considerations developed only after proposals were submitted.

The notice itself need not constitute final approval of the transaction. Particularly here, the recommendation and the Board's ultimate statutory decision should remain distinct. The competitive RFP process identifies the proposal recommended based upon the published criteria. The Enabling Act then requires the Board to consider the transaction, the complete record, the negotiated agreement, fair market value, and the interests of the public of the District before making its final determination.

16. Final Board Determination and Written Findings

The final step is the Board's consideration of the proposed transaction under the Enabling Act. The Act requires the Board to make its determination by majority vote and to provide written, detailed findings of all reasons for accepting the proposal. Those findings must address specified information concerning the transaction, including its terms, estimated total value, estimated fair market value, proposed lease or acquisition price, the underlying independent evaluation and valuations, and the other proposals received or considered.

The RFP record should make preparation of those findings substantially more straightforward. The voluntary RFP process is particularly valuable in that circumstance. If the criteria have been properly constructed at the outset, the record should identify the specific benefits that distinguish the selected proposal—for example, particular service commitments, capital investment, access obligations, quality commitments, financial stability, or other community benefits—and demonstrate how those factors were evaluated against the financial difference.

In other words, the explanation for accepting less than fair market value should not first emerge when the Board reaches the final vote. It should be supported by the information requested, received, evaluated, and documented throughout the competitive process.

DRR