

DeSoto County Hospital District Board of Directors (DCHD)

Request for Proposal for Potential Affiliation, Purchase, Lease, Merger, Partnership, or Joint Venture

Transaction Coordinator

Vincent A. Sica, CEO
DeSoto Memorial Hospital
(863) 494-8402

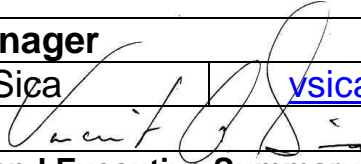
*The mission of the
DeSoto County Hospital
District Board of
Directors is to provide
excellent care and
treatment to all of our
patients and promote
health and wellness in
our community.*

Request for Proposal
DeSoto County Hospital District
Board of Directors

900 N. Robert Ave.
Arcadia, FL 34266

FOR POTENTIAL AFFILIATION,
PURCHASE, LEASE, MERGER,
PARTNERSHIP, OR JOINT
VENTURE

ALL CONTACT REGARDING THIS REQUEST FOR PROPOSAL
SHALL BE MADE TO:

Project Manager		
Vincent A. Sica	vsica@dmh.org	(863) 494-8402
Signature 		Date: June 30, 2025

Introduction and Executive Summary



DESOTO MEMORIAL HOSPITAL

DeSoto Memorial Hospital is a 49 bed sole community rural hospital located in Arcadia, DeSoto County, Florida. The DeSoto County Hospital District is the owner and operator of this independent Hospital. DeSoto County has approximately 35,000 full time residents and a large population of winter visitors who reside in DeSoto County three to six months each year. In addition, there are a significant number of migrant workers who help support the agricultural industry in our community. Lastly, land development in Florida continues at a rapid pace and coastal land developers have begun buying land to develop in DeSoto County.

In 2004, the original Hospital building which was built in 1964 was significantly damaged by hurricane Charlie. As a result of this event and with the assistance of our elected officials in Washington, we were able to procure a \$20 Million loan from the United States Department of Agriculture (USDA) for the construction of a new hospital building and the renovation of the original building. The loan funds were utilized to provide a state of the art health care facility for our community. The final design included, 16 bed emergency room, 3 surgical suites, 10 bed PACU, 32 private hospital rooms, out patients services area and the renovations needed to complete a seamless transition from the old building to the new building.

In November, 2014 the Board of County Commissioners placed on the ballot and the residents of DeSoto County approved by referendum a ½ penny sales tax to be used to pay off the U.S.D.A loan. The original ordinance states that the “indigent care sales tax” will continue until August, 2036 or when the mortgage has been satisfied whichever comes first. The proceeds from the indigent care sales tax has exceeded our expectations. We anticipate the U.S.D.A. loan to be satisfied on or before August, 2029.

The Owner is seeking a strategic affiliation, relationship, transaction, or organizational structure to further its mission of delivering quality health care to the residents of DeSoto County. The Owner believes that a well devised arrangement or transaction will provide clinical, management, investment and physician resources critical to meeting the mission and vision of the Hospital. The Owner is seeking an organization that can commit to such an arrangement in order to sustain and enhance the long term viability of the Hospital while maintaining its commitment to address the health care needs of the indigent population of DeSoto County.

The Owner has expressed its interest in finding a like-minded organization with which to effectuate a comprehensive strategic affiliation and is willing to consider any type of transaction or arrangement which will achieve the goals of the District and the Hospital, including but not limited to: a long term lease, a merger with another health system, a

joint venture that would include the Owner as a minority partner, total sale of the Hospital and its assets or any other type of association which would achieve the mission of the Owner and comply with all State and Federal laws. By considering multiple options, the District maintains flexibility as it seeks to secure the future of health care services in DeSoto County.

Schedule of Events (Timeline)

The Owner anticipates the distribution of the Request for Proposals to be completed on or before July 1, 2025.

The Owner will schedule appointments for on-site tours of the Hospital and its other facilities between July 2, 2025 and August 30, 2025 with any prospective bidders.

All proposals shall be submitted on or before October 1, 2025 as set forth in the terms and conditions outlined in the RFP.

Attachments

The following documents are included as part of the RFP:

1. Audited Financial Statement for fiscal year 2024
2. Unaudited Financial Statement for May 2025
3. Fair Market Analysis dated December 31, 2012
4. Enacting legislation as amended on June 17, 2008
5. Florida Statute Section 155.40

Note: The Owner will provide prospective bidders with an opportunity to examine:

1. The Hospital complex, including the ancillary buildings owned by the Owner, as set forth in the Timeline.
2. Any additional financial or historical information upon written request.

**REQUEST FOR PROPOSAL
SUMMARY OF PROCEDURES**

**DESOTO COUNTY HOSPITAL DISTRICT
ARCADIA, FLORIDA**

This Request for Proposal (the “RFP”) has been prepared by DeSoto County Hospital District Board of Directors (“DCHD”) solely for informational purposes, solely for use by bidders considering their interest in a potential transaction with the DCHD (“Owner”). The Request for Proposal has been approved by the Owner.

Owner has not independently verified any of the information contained in the RFP. The Owner does not make any representation or warranty as to the accuracy or completeness of this RFP or any of the information contained herein. The Owner shall not have any liability for any materials contained in, or for any materials omitted from, this RFP or any other written or oral communications transmitted to the recipient in the course of its evaluation of the Hospital. The only information that will have any legal effect will be that specifically represented in a definitive agreement. In no event will such agreement contain any representation as to the accuracy or completeness of the RFP.

The Owner also reserves the right to terminate, at any time, the proposal process or further participation in the investigation and proposal process by bidders and to modify requests for information and other procedures without assigning any reason therefore. The Owner intends to conduct the business of the Hospital in the ordinary course during the evaluation period; however, the Owner reserves the right to take any action, in or out of the ordinary course of business, which it deems necessary or prudent in the conduct of its business. The DeSoto County Hospital District Board (“Owner”) reserves the right to cancel this Request for Proposal at any time, and to reject any or all proposals submitted, where such action may be in its best interest in its sole and absolute discretion.

All inquiries regarding this Request for Proposal should be addressed to:

Vincent A. Sica, CEO
DeSoto Memorial Hospital
900 N. Robert Ave.
Arcadia, FL 34266
vsica@dmh.org
(863) 494-8402

The DeSoto County Hospital District Board of Directors Organizational Structure (also known as “Owner”):

- Chairman
- Vice Chairman
- Secretary
- Treasurer
- Director

We are conducting a sealed competitive proposal process. **ANY PROPOSER THAT DOES NOT FOLLOW THE PROPOSAL PROCEDURES MAY BE DISQUALIFIED IMMEDIATELY.**

1. All proposals are to be individually sealed and addressed as follows:

“Response to Request for Proposal regarding the proposed transaction with DeSoto County Hospital District”

Eight (8) original copies of your proposal are to be sent to:

Vincent A. Sica, CEO
DeSoto Memorial Hospital
900 N. Robert Ave.
Arcadia, FL 34266

An electronic copy of your bid should also be sent to:

Vincent A. Sica
vsica@dmh.org

YOU ARE NOT TO SEND A COPY OF YOUR PROPOSAL TO ANYONE ELSE.

Proposals are due at 10:00 a.m. EST on **October 1, 2025**. No proposal will be accepted after 10:00 a.m. EST. No proposals will be opened before that time.

1. All proposals will be reviewed by the Owner. A summary of all proposals will be presented to the Owner on or about **October 15, 2025**. It is anticipated that the Owner may select two or more finalists. The DCHD will then ask the finalists to make a presentation. At the conclusion of the presentations, it is anticipated that the Owner may select one winning bidder, and execute a “Letter of Intent” (“LOI”).

2. The prospective buyer is responsible for making sure that no one in their organization discusses their proposal with anyone other than Vincent A. Sica, Agent for DCHD. Any effort by the Bidder to influence the DCHD during the examination, clarification, evaluation of proposals, and during the award of contract, may result in disqualification. If any Bidder attempts to give gifts, inducements or rewards to secure the contract, the DeSoto County Hospital District Board shall be entitled to reject the proposal or cancel the contract.
3. All proposals are to be presented in the form of a non-binding Letter of Intent ("LOI"). Your LOI should be signed and have the usual and customary sections at a minimum.
4. Proposal Format

All bidders are required to submit a proposal under one or more of the following structures. No other structures will be entertained by the board. You may submit more than one proposal structure if you wish to do so. If you submit an asset purchase option you are required to also submit a prepaid lease option.

Option 1 – Asset Purchase

Option 2 – Asset Lease

Option 3 – Merger

Option 4 – Partnership

Option 5 – Affiliation

Option 6 – Joint Venture

A. If the proposal structure is a purchase, lease, or other transaction/arrangement, please include the following information in addition to the other requirements set forth herein:

- a) Confirmation that the proposed transaction includes all of the facilities and assets owned by the Owner;
- b) The proposed purchase price for the acquired assets, or the lump sum lease payment of a lease;
- c) Assumption of all liabilities;
- d) Expected post-closing adjustments to the purchase price or lease payment; and
- e) Other post-closing financial commitments.

B. If the transaction involves a lease, please provide the major terms of such lease, including the following:

- a) Term;
- b) Lease payment schedule;
- c) Renewal options;
- d) Other key terms; and
- e) Governance structure.

C. If the transaction is a joint venture, affiliation or partnership please include the following:

- a) Governance structure;
- b) Ownership percentages for each party as of closing;
- c) Management arrangement and related fees;
- d) Reserve powers for each party; and
- e) How future cash distributions and capital expenditures will be calculated and handled.

5. Information Regarding Prospective Bidder

All bidders are required to submit baseline data relative to their respective organization. The following information will be required.

A. The identity of the Respondent.

B. A description of the Respondent's existing healthcare operations and facilities, including in particular those in Florida.

- a) What experience does your organization have in operating in Florida and the Southeastern United States?

- b) How will the Hospital benefit from your existing operations in Florida?
 - c) If Respondent has no experience in Florida, how will Respondent maintain compliance with Florida laws and regulations?
- C. A description of how the respondent intends to maintain and expand access to healthcare services in DeSoto County, including the provision of indigent care:
 - a) Specifically, describe how you would expect the Resulting Organization to reduce outmigration of patients from the Hospital's service area.
 - b) Please identify, based on your organization's experience, the most critical factors or obstacles in successfully effectuating the transaction and fulfilling the expressed desire of the community and the District.
 - c) Describe your experience in working with underserved communities.
 - d) Please describe your organization's current charity care and bad debt policies and programs.
- D. A description of how the respondent intends to maintain and enhance the long term financial viability of the Hospital (and its physicians)
 - a) Please describe your financial and operations strength, including:
 - i. Your ability to provide financial resources in the form of cash, notes and/or assumption of liabilities in order to effectuate the transaction. Please provide a description of the expected sources of financing, the anticipated time to obtain such financing and any contingencies thereto.
 - ii. Your ability to fund routine operations (maintenance and upgrades) as well as strategic (major expansions, addition of services, market share expansion) capital expenditure requirements. Please provide evidence of capital expenditures in currently owned facilities.
 - b) Please provide a copy of the following financial statements:
 - 1) Audited financial statements for the past three years.

2) Interim period (year-to-date) financial statements.

E. A description of how the respondent intends to make needed investments in people, facilities and technology

- a) Please describe the specific commitments your organization agrees to make regarding investment in people/providers, technology and facilities over a five-year period and a ten-year period.
- b) What portion of the cash flow, before management fee or comparable corporate overhead expense, generated by Resulting Organization would your organization reinvest in the Hospital and its service area?

F. A description of how the respondent intends to recruit and retain physicians in the community

- a) How would the Resulting Organization support the Hospital's ability to align effectively with members of its medical staff?
- b) Please describe successful physician integration models which have been utilized by your organization or its affiliates, and what model(s) you would suggest be implemented at the Hospital.
- c) How would a relationship with your organization improve the Hospital's ability to recruit physicians?
- d) What is your approach and track record for strengthening existing community-based private practices as well as the Hospital's owned practices?

G. A description of how the respondent intends to maintain support of the local economy

- a) How would your organization and the Hospital remain active in the life and fabric of the community, such as with civic organizations, regional planning, and economic development?
- b) Please describe the long-term commitment which your organization would make to the District in order to assure the continued operation of

the Hospital as an acute care hospital in the community on a going-forward basis.

- c) Please provide the basic outline and resources for your marketing and communication plan for the community, both during any transition and into the future.

H. Liability

- a) Please include a statement acknowledging that neither the District, and Hospital, nor its advisors will be liable to you for any damages or expenses of any kind or type, unless you are the selected Respondent and then, only to the extent set forth in the definitive agreement between the District and the selected Respondent.

OWNER'S RIGHT TO MODIFY PROCESS AND TO REJECT OFFERS

OWNER EXPRESSLY RESERVES THE RIGHT TO WAIVE OR MODIFY ANY OF THE REQUIREMENTS OR PROVISIONS OF THIS REQUEST FOR PROPOSAL AS SAME MAY APPLY TO ANY RECIPIENT RESPONDING TO THIS REQUEST FOR PROPOSAL. OWNER RESERVES THE RIGHT TO TERMINATE, AT ANY TIME, THE PROPOSAL PROCESS OR FURTHER PARTICIPATION IN THE INVESTIGATION AND PROPOSAL PROCESS BY PROSPECTIVE BUYER AND TO MODIFY REQUESTS FOR INFORMATION AND OTHER PROCEDURES WITHOUT ASSIGNING ANY REASON THEREFORE. OWNER FURTHER RESERVES THE RIGHT TO REJECT, FOR ANY REASON, ANY OR ALL RESPONSES TO THIS REQUEST FOR PROPOSAL AND TO SELECT PROSPECTIVE BUYER BASED UPON THE SOLE DISCRETION OF OWNER AND WITHOUT REGARD TO THE AMOUNT OFFERED BY PROSPECTIVE BUYER. RECIPIENTS SHOULD BE AWARE THAT THE AMOUNT OFFERED WILL NOT BE THE ONLY FACTOR TAKEN INTO CONSIDERATION IN SELECTING A SUCCESSFUL BIDDER, IF SUCH A SUCCESSFUL BIDDER IS SELECTED, AND THAT THE SUCCESSFUL BIDDER MAY NOT NECESSARILY BE THE RESPONDENT THAT MADE THE HIGHEST OFFER FOR THE HOSPITAL.

Questions

In order to maintain a fair and impartial competitive process, the District can answer questions only in response to written questions received within the specified time frame. The District and the Hospital must avoid private communication with the prospective Bidders during the evaluation period. The written questions will be the only opportunity for Bidders to ask questions as to form and content as to the Response to the RFP. Please respect this policy and do not attempt to query the District or the Hospital personnel or members of its Board regarding this RFP except through written questions submitted in the manner and within the time frame indicated below.

Respondent may submit questions in writing to the District, DeSoto Memorial Hospital, 900 North Robert Avenue, Arcadia, FL 34266, Attn: Vincent A. Sica, fax (863) 494-8400 or e-mail vsica@dmh.org.

Responses to questions will be sent to the prospective Bidders and will be posted to the District's website.

SUMMARY OF TRANSACTION CRITERIA

Reasons for the Transaction

The DeSoto County Hospital District Board of Directors is reviewing the potential for a transaction related to its facilities in order to maintain, on a long-term basis, the same level and integrity of services currently provided to the community through the operations of the hospital.

Process

The Owner, is in charge of conducting a competitive bidding procedure related to the hospital and related assets. Once this process is concluded, which includes receipt of a non-binding letter of intent, the Board will convene to vote on the approval or rejection of the offers. Owner would prefer that these processes be conducted in an expedient manner.

Assets related to the Transaction

All land, buildings, equipment, and operations owned or used by Owner are to be included as part of this transaction. In addition to the value offered, all bidders will be required to pay for networking capital (current assets minus current liabilities excluding cash and debt) at its book value as of the closing date. The Owner will retain all cash and investments.

Liabilities Assumed

Prospective bidders will be responsible for assuming all liabilities.

The Board of Directors request that prospective bidders agree, at a minimum, to the following criteria. Agreement to these terms is requested not required. Prospective bidders will provide an addendum that either answers all of the following questions by number, or reference them in other supplied documentation provided.

1. Prospective bidder will be asked to offer employment to all employees.
2. Prospective bidder is asked to agree that there will be no changes in the hospital name or incorporate "DeSoto Memorial Hospital" into the name of the resulting organization.
3. Prospective bidder is asked to agree that there will be no changes in the medical staff bylaws, without the consent of the Medical Staff. Credentialing of physicians will remain fully controlled by the medical staff in accordance with

due process as stated in the medical staff bylaws, and prospective bidder will agree that “economic credentialing” is forbidden. Peer review will remain a medical staff function, controlled by the medical staff in accordance with the bylaws. Any outside agency involved in peer review will be advisory only.

4. Prospective bidder will be asked to pay for all transaction costs, including title policy, survey, filing fees, regulatory fees and recording taxes, except for those costs incurred by the Board for consulting and legal services.
5. Prospective bidder will be asked to assume all of the Hospital contracts except those, if any, that are determined to be potentially unlawful or are unreasonable based on industry standards.
6. If prospective bidder merges, consolidates, affiliates, leases, joint ventures or acquires the hospital through a subsidiary, prospective bidder will provide an unconditional and irrevocable guaranty for all of the obligations of its subsidiary from a guarantor acceptable to the Owner in an amount equal to at least 50% of the purchase price. Under no circumstance will the representations, warranties and indemnification that are made by the prospective bidder be guaranteed solely by the subsidiary corporation that is formed to assume control of the hospital.
7. Prospective bidder will agree that any and all successors are obligated to the same extent as prospective bidder regarding all obligations contained in the lease or asset purchase agreement.
8. Prospective bidder will provide credit for the prior time of service for all employees who are hired, including vacation time. Vesting credit for prior service will be granted for retirement. This is not a dollar credit but rather a vesting credit. Pre-existing conditions shall not be excluded unless employees have not satisfied the prior plans pre-existing condition exclusion period.
9. Prospective bidder and any and all subsequent owners agree that the hospital will not be divested at any future date as a result of DOJ/FTC consent decrees or related issues.
10. Prospective bidder is asked to provide a summary of their plans to maintain and/or expand the current scope of services offered at the hospital.

11. Prospective bidder is asked to agree that they will utilize their best efforts to complete due diligence within the time frame proposed.
12. Prospective bidder is asked to agree that they will use their best efforts to execute a Definitive Agreement within the time frame proposed.
13. All prospective bidders are asked to indicate that if they are selected as the winning bidder, they will, if required, file all pre-merger notification forms with the U.S. Department of Justice within seven (7) business days of execution of the letter of intent and will pay all fees related thereto.
14. All prospective bidders are deemed to have knowledge of the laws of the State of Florida. Specifically, but not limited to Florida Statute 155.40 as attached to this RFP.
15. Prospective bidder will indicate in the letter of intent, their corporate process regarding the investment of capital in facilities that they own, their ability to access capital for this purpose, and their thoughts as to how they would assess the need for capital investment in the hospital.
16. Prospective bidder shall report their compliance with the requirements of the transaction annually to the Board of Directors, which board shall be entitled to enforce such requirements against prospective bidder.
17. Prospective bidder will indicate the steps they will take to protect the hospital from other competing facilities. Specifically please identify the steps that you would take to reduce the level of outmigration in the primary service area.
18. Prospective bidder is required to provide information regarding the quality of care provided at their facilities, including, but not limited to, The Joint Commission survey scores and patient, employee and physician satisfaction scores. A summary of your plans to maintain, augment, and/or expand the quality of care at the hospital should be provided.
19. Prospective bidder is asked to provide information regarding the plans they have to increase the availability and accessibility of healthcare to the communities served by the hospital.
20. Prospective bidder is asked to assume the existing policies and procedures currently in place at the hospital with respect to indigent and charity care.

21. Prospective bidder must demonstrate that they have the financial resources to complete the transaction and to compete in the market.
22. Prospective bidder is asked to provide examples of their experience turning around distressed hospitals.
23. Prospective bidders are asked to present a statement of evidence on their efforts to provide and maintain quality healthcare.
24. Prospective bidders are asked to disclose if they believe they have any material antitrust risk regarding the Transaction.
25. Any bidder that submits an offer for a non-equity transaction, such as an affiliation or a partnership/joint venture where they will not have a controlling interest in hospital, shall state if they are willing to provide a guaranty for the hospital's debt and its pension obligations in the event that the hospital is not able to meet these obligations.
26. Prospective bidders that submit a purchase option are requested to also submit a prepaid lease option.
27. The DeSoto County Hospital District Board of Directors has identified the following objectives and priorities of the RFP Process;
 - a) Maintaining a "full service community care hospital" by an enforceable contractual covenant to serve the residents of DeSoto County, Florida:
 - i. "Full service community care hospital" means a registered Florida hospital that provides full service inpatient and outpatient care consistent with nationally accepted standards for the population we serve, both currently and in the future. Services to include: emergency care, unscheduled and elective medical and surgical care with reasonably necessary ancillary support services and specialty consultative services;
 - ii. Reasonable assurances, protections, and safeguards to ensure that: (A) the scope of services currently performed at DeSoto Memorial Hospital is not materially reduced (e.g. DeSoto Memorial Hospital does not become a critical access hospital as

such term is currently defined): (B) services that can reasonably and safely be performed at DeSoto Memorial Hospital, as determined in accordance with generally accepted standards for comparable community hospitals, are performed at DeSoto Memorial Hospital and not referred outside DeSoto County, Florida.

Proposal

DeSoto County Hospital District Board of Directors proposal for the purchase, lease, partnership, affiliation, merger, or joint venture of some or all property(s) pursuant to Florida Statute § 155.40, subject to the leasehold interest of DMH Real Estate Holdings, Inc.

DeSoto County Hospital District Board of Directors Role

The Role of the DeSoto County Hospital District Board is to review the Request for Proposal, Request for Proposal Selection, and meet to discuss negotiations of the sale, lease, partnership, affiliation, or joint venture of the DeSoto County Hospital District properties. The DeSoto County Hospital District Board of Directors is the sole Awarding Authority and will enter into the Purchase Contract, Lease, or other agreement with the successful Bidder, as determined in the sole and absolute discretion of the DeSoto County Hospital District Board. DCHD reserves the right not to sell, lease, or partner and may cease any and all processes begun pursuant to Florida Statute § 155.40.

Confidentiality of Evaluation

Information relating to the examination, clarification, evaluation, and comparison of proposals will not be disclosed to Bidders or other external individuals, but documents are subject to Florida Statute 119. In addition, all DCHD meetings are open to the public and subject to Florida Statutes 286.

Cost of Preparation of Proposal

The DeSoto County Hospital District Board will not be held responsible for any expenses or losses incurred by the Bidder in the preparation of the proposal. The Bidder shall bear all costs associated with the preparation and submission and presentation of their proposals to the DCHD.

Governing Law

The laws of the State of Florida will govern this process. Any legal issues arising shall be litigated in DeSoto County, Florida or the U.S. Middle District of Florida located in Fort Myers, Florida.

Compliance with Applicable Law

The bidder(s) agrees, upon successful contract award, that same will be performed within applicable federal and state laws and applicable regulations of the State of Florida. The bidder within its proposal is expected to provide any and all services listed in Florida Statute 155.40 and comply with all requirements of Florida Statute 155.40, which is attached hereto and is made part of this Request for Proposal.

Contract Award / Termination

The DeSoto County Hospital District Board reserves the right to cancel/postpone the contract award. The DeSoto County Hospital District Board is not legally obligated to accept the lowest or any proposal. The DeSoto County Hospital District Board reserves the right to reject in whole or in part, any or all proposals received.

Ownership

The DeSoto County Hospital District Board will be the sole owner of all proposals including, but limited to reports, manuals, graphics, etc.

Freedom of Information

The DeSoto County Hospital District Board undertakes to use its best endeavors to hold confidential, any information provided by the Bidder in the RFP subject to its obligation under all applicable state and federal laws, including, but not limited to Florida's Sunshine laws.