

Introduced by: Mayor  
Date: 12/08/15  
Action: Adopted  
Vote: 8 Yes, 1 No, 0 Absent

**KENAI PENINSULA BOROUGH  
RESOLUTION 2015-051**

**A RESOLUTION AUTHORIZING THE SOLE SOURCE AWARD OF A HEALTH CARE CONSULTING CONTRACT TO STROUDWATER ASSOCIATES**

- WHEREAS,** in Ordinance 2014-19-39 the assembly appropriated \$200,000 to fund consultants to assist the borough in evaluating options available for reducing health care costs for the borough and school district entities, and for reducing costs incurred by the hospitals in the borough; and
- WHEREAS,** pursuant to KP.B 5.28.280 the borough may award a contract for professional services without competition where it is determined that the borough's requirements reasonably limit the procurement to a sole source and the assembly approves by resolution any such contract costing more than \$40,000; and
- WHEREAS,** the mayor formed a Health Care Task Force which is examining the existing health care resources in the borough and intends to identify and evaluate scenarios for hospitals in the borough to provide a health care system with the goal of determining the best option for long term viability and cost reduction; and
- WHEREAS,** any change in the borough's powers relating to health care services or hospital service areas would require voter approval at an election that could, at the earliest, be held during the October 2016 regular election; and
- WHEREAS,** in order to allow sufficient time for research, analysis, public communication and decision making before timely submitting any such proposal to the voters it is important to hire a consultant as soon as possible to help evaluate options and strategies; and
- WHEREAS,** the mayor's office conducted substantial research to identify qualified consultants in the industry and contacted a representative of the Federal Office of Rural Health Policy who recommended both Newpoint Health Advisors and Stroudwater Associates as potential proposers; and
- WHEREAS,** after being contacted by the mayor's office about this potential request for proposals, Newpoint Health Advisors recommended that the borough engage Stroudwater Associates as it is well-qualified for this project and would be the most competitively priced consultant for the services desired; and

**WHEREAS,** Stroudwater Associates is a private health care consulting firm that serves a national health care market including government and quasi-government agencies, community-based organizations, major academic and tertiary centers, rural and community hospitals, physician groups, and provider organizations; and

**WHEREAS,** Stroudwater Associates has active engagements in over 30 states providing expert services designed to meet the needs of rural and underserved communities relating to health care; and

**WHEREAS,** Eric Shell of Stroudwater Associations, who is proposed to be a team member for the borough, delivered a keynote presentation on transition strategies for rural hospitals at the Alaska State Hospital & Nursing Home Association in September 2015; and

**WHEREAS,** the Chief Executive Officers for both borough hospitals attended that presentation and informed the task force they were very impressed with it; and

**WHEREAS,** at its November 18, 2015, meeting the Health Care Task Force unanimously approved a motion to support the mayor's proposal to hire Stroudwater Associates for this project;

**WHEREAS,** the borough's best interests would be served by contracting with Stroudwater Associates to provide the requested services;

**NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:**

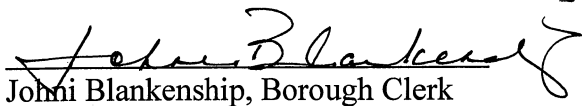
**SECTION 1.** That the mayor is authorized to enter into a contract for an amount not to exceed \$117,500 with Stroudwater Associates for providing technical assistance to the Health Care Task Force in evaluating the borough's current health care system and gaining insight into alternate health system models and strategies used in other communities that could be applicable within the borough. Additionally the engagement will entail a financial analysis evaluating the current health care system as well as costs and savings associated with alternate models.

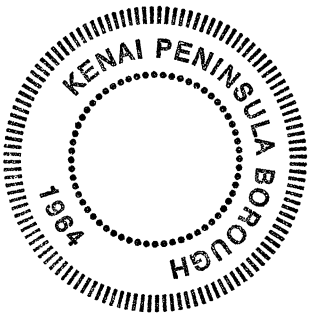
**SECTION 2.** That this resolution takes effect immediately upon its adoption.

**ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 8TH DAY OF DECEMBER, 2015.**

  
Blaine Gilman, Assembly President

ATTEST:

  
Johni Blankenship, Borough Clerk



Yes: Bagley, Cooper, Dunne, Holmdahl, Johnson, McClure, Ogle, Gilman  
No: Welles  
Absent: None