



Lake County Illinois

Legislation Details (With Text)

File #: 15-0436 **Version:** 1 **Name:** Winchester House Lease & Replacement Agreement
Type: resolution **Status:** Passed
File created: 4/22/2015 **In control:** Health and Community Services Committee
On agenda: **Final action:** 5/12/2015
Title: Joint resolution authorizing a contract with Transitional Care Management (TCM), Rosemont, Illinois, for a three year term for the lease and replacement of Winchester House in an amount not to exceed \$6,714,433 and an emergency appropriation of \$1,931,957 for fiscal year (FY) 2015 for the one time payment of working cash.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Executive Summary of Lease and Management Agreement with TCM, 2. Draft Lease

Date	Ver.	Action By	Action	Result
5/12/2015	1	Lake County Board	adopted	Pass
4/29/2015	1	Financial & Administrative Committee	recommended for adoption to the regular agenda	Pass
4/28/2015	1	Health and Community Services Committee	approved and referred on to the Financial and Administrative Committee	Pass

Joint resolution authorizing a contract with Transitional Care Management (TCM), Rosemont, Illinois, for a three year term for the lease and replacement of Winchester House in an amount not to exceed \$6,714,433 and an emergency appropriation of \$1,931,957 for fiscal year (FY) 2015 for the one time payment of working cash.

- Following extensive research, the Winchester House Advisory Board recommended the issuance of a Request for Proposal (RFP) to solicit proposals from qualified entities in the private sector for leasing the existing Winchester House facility, becoming the licensee, and providing for a replacement facility by the end of the term of the lease.
- On July 8, 2014, the County Board directed the County Administrator's Office to publish a RFP for the purpose of evaluating the interest and feasibility of leasing the existing facility to a qualified vendor to operate the facility as the license holder and who shall provide for a privately operated replacement facility.
- A RFP was extended to 80 vendors, of which 12 requested documents and proposals were received from two vendors.
- An interdepartmental committee comprised of representatives from the Winchester House Advisory Board, the County Administrator's Office, State's Attorney's Office, and the Finance and Administrative Services Department evaluated the proposals.
- Based on the criteria set forth in the RFP, it has been determined that the proposal submitted by TCM, Rosemont, Illinois, is the most qualified and most favorable for Lake County.
- Pursuant to the terms of the lease agreement, TCM will lease the existing facility and will construct a replacement facility suitable to house the existing residents in a fully operational skilled nursing facility at the conclusion of the term of the agreement.
- The proposed agreement is for a three year term in an amount not to exceed \$6,714,433.

- The Winchester House Advisory Board unanimously approved the recommendation at its April 20, 2015 meeting.
- Funding for the FY2015 amount of \$1,099,521 is included in the FY2015 Annual Budget previously approved by the County Board with the remaining to be appropriated over the 3 year term.
- An emergency appropriation of \$1,931,957 is recommended for FY2015 for the one time payment of working cash.

RESOLUTION

WHEREAS, Lake County has continuously operated a facility for the underprivileged and the elderly at the County's Libertyville location since 1847; and

WHEREAS, the existing buildings that make-up the Winchester House complex date back to 1942 and the 5-story care center dates from 1970; and

WHEREAS, the County Board commissioned several studies relating to the Winchester House management and financial performance, its position in the skilled nursing services market, projections regarding future senior care demand and the feasibility of a new facility; and

WHEREAS, in 2007 the County Board established the Winchester House Advisory Board (WHAB) to, among other things, recommend the best option for constructing a new skilled nursing facility; and

WHEREAS, the WHAB is comprised of Lake County residents who are industry professionals and two current Lake County board members; and

WHEREAS, the WHAB has spent much time researching the changing healthcare environment in Illinois, and analyzing available data to determine the best available option to ensure high quality care for current/future residents of Winchester House; and

WHEREAS, the WHAB has determined that Winchester House is outdated and renovating the existing facility or building a new facility would be extremely costly and not fiscally responsible to Lake County taxpayers; and

WHEREAS, WHAB determined that the Affordable Care Act (ACA) and the State's transition to Managed Care, as well as other State and Federal funded agencies and/or programs (e.g. Illinois Department on Aging, Northeast Area Agency on Aging, Catholic Charities) seek to fulfill the same mission as Winchester House, providing access to care for those who may not be able to afford it; and

WHEREAS, WHAB also found that consumer preference continues to show a desire to stay at home, which means nursing home utilization will continue to decline due to economic constraints and as the State continues to search for lower cost options other than nursing home placement (e.g., home and community based services); and

WHEREAS, the WHAB recommended the issuance of a Request for Proposal to solicit proposals from qualified entities in the private sector to lease the existing Winchester House facility, to become the licensee, and to provide for a replacement facility by the end of the term of the lease; and

WHEREAS, part of the Illinois Counties Code, 55 Ill. Comp. Stat. § 5/5-21001, allows for Lake County to sell, dispose of or lease for any term, a nursing home in such manner and upon such terms as it deems best for the interest of Lake County; and

WHEREAS, in accordance with Section 5-102 of the Lake County Purchasing Ordinance, Request for Proposals were called for by publication for the Lease and Replacement of Winchester House; and

WHEREAS, subsequent to said publication, Request for Proposals were extended to 80 potential vendors; and

WHEREAS, sealed proposals were received from two vendors and opened in the County Building, Waukegan, Illinois on August 14, 2014 at 2:00 p.m.; and

WHEREAS, based on the criteria set forth in the Request for Proposal for the Lease and Replacement of Winchester House it has been determined that the proposal submitted by Transitional Care Management of Rosemont, Illinois, is the most favorable for Lake County.

NOW, THEREFORE, BE IT RESOLVED, by this County Board of Lake County, Illinois, that the Purchasing Agent is hereby authorized to enter into a contract with Transitional Care Management of Rosemont, Illinois in the not to exceed amount of \$6,714,433 for the Lease and Replacement of Winchester House for a three year term appropriating the funding over the next four fiscal years (FY) in the amounts of \$1,099,521 for FY2015, \$1,885,285 for FY2016, \$1,173,480 for FY2017 and \$714,190 for FY2018 charging the costs thereof to account number 218-4101010-72885.

NOW, THEREFORE, BE IT FURTHER RESOLVED, that an emergency appropriation in the amount of \$1,931,957, is approved out of account 101-1102040-72885 for FY2015 for the one time payment of working cash.

DATED at Waukegan, Lake County, Illinois, on May 12, 2015.