

# REQUEST FOR PURCHASE PROPOSALS

in connection with the

## SALE OF CLAREMONT SKILLED NURSING AND REHABILITATION CENTER

by the

**COUNTY OF CUMBERLAND**  
(Commonwealth of Pennsylvania)

*Originally Released October 30, 2020*

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On behalf of the County of Cumberland, Pennsylvania (the “County”) Board of Commissioners (the “Board”), Susquehanna Group Advisors, Inc. (“SGA”), as the consultant to the County, is requesting sealed bid proposals (“Purchase Proposals”) for the acquisition of the Claremont Skilled Nursing and Rehabilitation Center, located at 100 Claremont Avenue, Carlisle, Pennsylvania (the “Facility”).

The County is a third-class County and has a population of approximately 250,000.

The Facility is a 282-bed skilled nursing facility fully licensed by the Commonwealth of Pennsylvania Department of Health and certified by Medicare and Medicaid. The Facility also offers full-service rehabilitation services on site. The Facility is located on approximately two acres of land in Carlisle, Cumberland County, within close proximity to U.S. Routes 81 and 83 and the Pennsylvania Turnpike.

Purchase Proposals are due no later than **4:30 p.m. on Monday, November 30, 2020** Purchase Proposals should be submitted via sealed envelope to the County at the addresses below:

County of Cumberland  
1 Courthouse Square  
County Administrative Building  
Carlisle, PA 17013  
Attn: Stacy Snyder

Questions regarding this Request for Purchase Proposals and requests for additional information should be directed to Jay Wenger at (717) 682.0860 or [jwenger@susgrp.com](mailto:jwenger@susgrp.com).

If you would like to schedule a site visit, please contact Jay Wenger or John Hewlett ([jhewlett@susgrp.com](mailto:jhewlett@susgrp.com)). Prospective bidders shall not be permitted to enter the Facility without scheduling an appointment to do so. Out of respect to the employees and the residents, we ask that any site visit request be submitted to Jay Wenger at least two business days prior to your intended date to visit.



## TERMS AND CONDITIONS

1. Any sale will be subject to the final approval of the County of Cumberland Board of Commissioners.
2. The County reserves the right to reject any and all proposals and is not obligated to accept the highest proposed purchase price, or any proposal.
3. Any sale shall be “as is” and the County makes no guarantee as to the condition of the Facility.
4. The Purchaser must be qualified under Pennsylvania Department of Health standards to operate a skilled nursing facility.
5. The County will not consider any Purchase Proposal in an amount less than \$18,000,000. The County will not finance any portion of the purchase price.
6. A good faith deposit in the amount of \$200,000 will be due at the time the Asset Purchase Agreement is executed.
7. A second good faith deposit in the amount of \$200,000 will be due at the conclusion of the due diligence period.
8. The Purchaser affirmatively covenants to maintain a licensed skilled nursing facility at the Facility for a period of fifteen (15) years from the date of sale. If the Purchaser elects to sell the Facility, it covenants to sell the Facility to a Pennsylvania licensed skilled nursing home owner/operator, subject to the remainder of the 15-year period.
9. Cumberland County affirmatively covenants not to open a licensed skilled nursing facility for a period of fifteen (15) years.
10. The Purchaser shall commit to providing first preference of admission to Cumberland County residents whose needs can be met by the Facility.
11. The Purchaser shall commit to using its best efforts to maintain a Medicaid census not less than 75 percent Medicaid
12. Current residents of the Facility shall have the right to remain in the Facility so long as they are eligible to receive care at a skilled nursing facility level of care and the resident/power of attorney has cooperated with medical assistance documentation.
13. The Purchaser shall commit to using its best efforts to continue employment for current employees at the Facility.
14. The employees are represented by a collective bargaining unit and the collective bargaining agreement (the “CBA”) expires 12/31/21. If the County does not successfully negotiate a

new agreement with the CBU, the buyer will negotiate in good faith with the CBU with respect to a new agreement.

15. The Purchaser shall agree to pay all transfer taxes in connection with the sale of the Facility and the related real estate.
16. The Purchaser shall pay real estate taxes to the County, the Carlisle School District and Middlesex Township. The Purchaser shall agree not to challenge the real estate tax assessment for a period of ten (10) years after the closing of the sale of the Facility.

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## **PROPOSAL EVALUATION AND SELECTION CRITERIA**

The Board will consider Purchase Proposals based on the following criteria:

1. Industry experience.
2. Industry reputation.
3. Commitment to provide access and care for all eligible Cumberland County residents whose needs can be served by the Facility.
3. Price to be paid for the Facility. The County will not consider any Purchase Proposal in an amount less than \$18,000,000.
4. Proof of acceptable financing to complete the transaction.
5. Timing:
  - a. The ability to sign the Asset Purchase Agreement on or before March 15, 2021.
  - b. The ability to conclude the due diligence process on or before May 1, 2021.
  - c. The ability to close by May 15, 2021.
6. Acceptance of the “TERMS AND CONDITIONS” detailed above.
7. Any other factors the County deems in its best interest, including but not limited to, the County’s understanding and acceptance of the Purchaser’s business model for the ongoing operation of the Facility.

## **PROPOSAL SUBMISSION**

To be considered, Purchase Proposals should include the following information:

1. A brief description of your qualifications to operate a skilled nursing facility in the Commonwealth of Pennsylvania.
2. A description of your history, ownership structure, management team resumes and licenses.
3. The names and resumes of the personnel your firm will assign to the Facility.
4. A list of your skilled nursing facilities in Pennsylvania and the mid-Atlantic states.
5. Describe your experience with COVID-19, including the number of COVID related deaths and staffing issues encountered.
6. A history of any SNF acquisitions you have completed in the past five years. If any acquisitions were of county-owned facilities, provide the county contact information. Please provide a contact at the facility and disclose any price adjustments from your initial offer to the final purchase price. Also, provide statistics for the number of employees and their positions that were retained from the selling facility twelve months after closing.
7. Provide a summary of any skilled nursing facilities you have sold in the past five (5) years, including the number of beds and the number of staff at the time of closing and the reasons for selling the facility.
8. A statement of your insurance coverage.
9. Salary/wage schedules for comparable staffing at your skilled nursing facilities.
10. Disclosure of any regulatory violations within the past five (5) years.
11. A statement disclosing any current litigation related to your firm.
12. A statement of your intent with respect to the existing employees of the Facility.
13. Five (5) references, including contact name, telephone number, email address and connection to the Proposer.
14. In order to be considered by the County, your proposal must provide a statement to comply with the terms of the RFP.

15. Proposed purchase price.

16. Provide a summary description of your proposed ownership structure, including your intended financing.

Within five (5) business days of the receipt of the sealed bid proposals, the County shall notify the interested bidders of the County's intentions and each bidder shall be given the opportunity to submit its best and final offer.

**As stated previously, the County reserves the right to reject any and all Purchase Proposals and is not obligated to accept the highest proposed purchase price, or any purchase proposal.**

## CUMBERLAND COUNTY SKILLED NURSING CENTER

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### OVERVIEW

The facility is a four-story building, with a brick exterior. Certain renovations have been completed in recent years.

### DUE DILIGENCE INFORMATION – On SGA Website

**Upon receipt of an executed Confidentiality and Non-Solicitation Agreement, SGA will provide a username and password to access the following information:**

Audited Financial Statements (2015-19)	Employee Roster / Wages
	Recent Staffing Schedules
2020 Budget, 2021 Budget when available	Bargaining Unit Contract
Facility Floor Plan	Insurance Policies
Department of Health Surveys (2015-19)	Vendor Contracts
Recent Case Mix Index Reports	Accounts Receivable Summary
Medicaid Cost Reports	Asset List
Resident Census Report	Other Information