

DATE: February 2, 2026

TO: Prospective Consultants

FROM: Tyler Salcido, Executive Officer
Imperial County Local Agency Formation Commission (LAFCo)

SUBJECT: Request for Proposals: Municipal Service Review & Sphere of Influence Update
(Imperial Valley Healthcare District)

The Imperial County Local Agency Formation Commission (LAFCo) is inviting qualified firms to submit proposals for the preparation of a **Municipal Service Review (MSR)** and the establishment of an **Initial Sphere of Influence (SOI)** for the newly formed **Imperial Valley Healthcare District (IVHD)**.

This is not a standard service review.

The IVHD was created through special legislation (**Assembly Bill 918** and **Senate Bill 1070**) which mandated the dissolution of two existing hospital districts and their consolidation into a single, countywide healthcare system. Furthermore, the District is in the process of finalizing the acquisition of a third entity, the El Centro Regional Medical Center (ECRMC). Consequently, this engagement requires a consultant with the capacity to analyze complex organizational restructuring, asset integration, and healthcare governance.

Crucially, this project includes a **high-priority financial validation component**. Under SB 1070, the District must rely on a financial feasibility study validated by LAFCo to support a tax measure scheduled for the November 2026 ballot. The selected consultant will be responsible for independently reviewing and validating financial models provided by the District's consultants (WipFli) and prior data from Kaufman Hall to provide an independent opinion on the measure's viability.

Key constraints for this project include:

- **Statutory Deadline:** The MSR must be completed and adopted by **December 31, 2026**.
- **Financial Review:** The financial validation portion (Phase 1) must be completed by **July 2026** to align with election filing deadlines.

- **Consolidation Focus:** The review must assess the efficacy of the "three-way" consolidation of the Pioneers Memorial Healthcare District, Heffernan Memorial Healthcare District, and ECRMC.

We are looking for a partner who can move quickly, handle the scrutiny of a high-profile reorganization, and deliver a defensible, data-driven analysis.

Proposals are due by **5:00 PM on February 25, 2026**. Please refer to the attached RFP for the detailed Scope of Work and submission requirements.

Thank you for your interest.

Sincerely,



Tyler Salcido

Executive Officer

Imperial County LAFCo

IMPERIAL COUNTY LOCAL AGENCY FORMATION COMMISSION (LAFCo)

REQUEST FOR PROPOSALS (RFP)

PROJECT:

Municipal Service Review (MSR) & Establishment of Sphere of Influence (SOI)

Imperial Valley Healthcare District (IVHD)

ISSUANCE DATE: February 2, 2026

PROPOSAL DEADLINE: February 25, 2026 at 5:00 PM

1. INTRODUCTION & BACKGROUND

The Imperial County Local Agency Formation Commission (LAFCo) is soliciting proposals from qualified consultants to prepare a **Municipal Service Review (MSR)** and establish an **Initial Sphere of Influence (SOI)** for the newly formed **Imperial Valley Healthcare District (IVHD)**.

Legislative Context

This project is driven by unique special legislation—**Assembly Bill 918 (Garcia, 2023)** and **Senate Bill 1070 (Padilla, 2024)**—which mandated the formation of the IVHD and the dissolution of the Pioneers Memorial Healthcare District (PMHD) and Heffernan Memorial Healthcare District (HMHD).

LAFCo is statutorily required to complete and adopt this MSR by **December 31, 2026**.

Project Significance & Complexity

This is not a standard MSR. The selected consultant will be analyzing a district in the midst of a massive "three-way" consolidation of assets, liabilities, and operations:

1. **Statutory Dissolutions:** The mandatory absorption of PMHD and HMHD assets and operations.
2. **Municipal Hospital Acquisition:** The District is currently finalizing a negotiated acquisition of **El Centro Regional Medical Center (ECRMC)**, a municipal hospital

3. governed by the City of El Centro. Unlike the statutory dissolutions, this transaction is pending finalization and involves complex assumptions regarding the transfer of municipal debt, seismic liabilities, and labor agreements.

Financial Updates

Crucially, the District has recently commissioned the firm **WipFli** to provide an updated evaluation regarding the funding mechanism for the November 2026 ballot ("**Phase 1 Report**") and a larger financial feasibility study ("**Phase 2 Report**"). The selected consultant for this RFP will be responsible for independently reviewing and validating these WipFli reports to satisfy LAFCo's legislative oversight role under SB 1070.

2. SCOPE OF SERVICES

The selected consultant will be expected to perform the following tasks:

Task 1: Financial Viability & Validation (High Priority)

- **Legislative Mandate:** Under SB 1070, the District's recommendation for a permanent funding source must be based on financial feasibility studies validated by Imperial County LAFCo.
- **Review of Historical Data (Kaufman Hall):** The consultant shall review the **completed Kaufman Hall feasibility study** to establish a baseline for financial assumptions. The consultant should identify significant deviations between the Kaufman Hall data and the updated WipFli models.
- **Review of WipFli "Phase 1" (Ballot Measure):** The consultant shall critically review the District's **Phase 1 WipFli Report** immediately upon its release. This review must stress-test the assumptions regarding tax rate sufficiency, revenue projections, and immediate debt service coverage.
- **ECRMC Acquisition Sensitivity:** Analyze how the WipFli financial model accounts for the pending ECRMC acquisition. This includes reviewing assumptions regarding the assumption of ECRMC's existing debt, seismic compliance costs, and the transfer of municipal employees.
- **Review of WipFli "Phase 2" (Long-Term Feasibility):** Review the **Phase 2 WipFli Feasibility Study** to inform the broader Municipal Service Review determinations regarding the District's long-term financial ability to provide services.
- **Independent Determination:** Provide an independent professional opinion on whether the financial data supports the viability of the proposed tax measure for the November 2026 ballot.

Task 2: Service Provision & Consolidation Analysis

- **System-Wide Integration:** Evaluate the current status of service integration across all three campuses (Pioneers, Heffernan, and ECRMC), specifically identifying any redundancy or gaps in service levels created by the consolidation.
- **Asset Integration:** Analyze the efficacy of the transfer of "assets, rights, and responsibilities" from the dissolved districts to IVHD.
- **Annual Report Review:** Review the District's Annual Reports for 2024 and 2025 (mandated by H&S Code § 32499.6) to verify service delivery claims.

Task 3: Establishment of Initial Sphere of Influence (SOI)

- Prepare the necessary analysis to formally establish the **Initial Sphere of Influence** for the IVHD.
- Draft written determinations pursuant to Government Code § 56425, with a likely recommendation for a **Coterminous SOI** matching the County boundaries.

Task 4: Governance & Compliance

- Verify compliance with **SB 558**, specifically regarding the establishment of seven voting districts for the permanent Board of Directors.
- Evaluate the District's management efficiency and administrative structure during this transitional period.

Task 5: MSR Determinations

- Prepare written determinations for Commission adoption pursuant to Government Code § 56430, addressing the standard seven factors (Infrastructure needs, Financial ability, Accountability, etc.).

3. PROPOSAL REQUIREMENTS

Proposals must be concise and include the following:

1. **Project Understanding:** A clear statement demonstrating the firm's understanding of AB 918, SB 1070, and the unique challenges of healthcare district consolidations involving municipal hospital acquisitions.
2. **Approach & Methodology:** Describe how you will validate third-party healthcare financial studies. Please address how you will coordinate with the District's financial consultants (WipFli) to ensure a timely review of the "Phase 1" report prior to the election filing deadline.

3. **Relevant Experience:** List recent experience with:
 - Healthcare Districts (specifically those operating hospitals).
 - MSRs involving district consolidations or mergers.
 - Financial feasibility analysis for public agencies.
4. **Team Qualifications:** Identify the project manager and key staff. *Note: If you intend to sub-contract the financial analysis to a specialist firm, clearly identify them.*
5. **Cost Proposal:** A "Not to Exceed" total cost, broken down by task.

4. TENTATIVE SCHEDULE

- **RFP Issued:** February 2, 2026
- **Deadline for Questions:** February 17, 2026
- **Proposals Due:** February 25, 2026
- **Contract Award (Commission Meeting):** March 26, 2026
- **Financial Validation (Phase 1) Memo Due:** July 2026 (Subject to receipt of WipFli report; must precede ballot measure filing)
- **Draft MSR/SOI for Public Review:** October 2026
- **Final Adoption:** December 2026 (Statutory Deadline)

5. SUBMISSION INSTRUCTIONS

Please submit **one (1) electronic copy (PDF)** of the proposal to:

Tyler Salcido, Executive Officer

Imperial County LAFCo

tylers@iclafcoco.com

Questions regarding this RFP should be directed to Tyler Salcido at 760.353.4115 or tylers@iclafcoco.com.