

Interior Heart and Surgical Centre (IHSC) Building



Project Overview

The Interior Heart and Surgical Centre Building (IHSC Building or the Building) will be the province's fifth cardiac critical care centre. It will encompass more than 14,000 m² and include: capacity for a total of 15 operating rooms, including: two cardiac operating rooms, six cardiac surgery intensive care unit beds, six inpatient operating theatres, a post-anaesthetic recovery room, and Medical Device Reprocessing department.

The IHSC Building will ensure that British Columbians living and working in the Southern Interior have access to the same level of services for diagnosing and treating heart disease as do residents in other areas of the Province. At the same time, creation of a new cardiac critical care centre in Kelowna will also reduce pressure in the Lower Mainland's centres, where Interior Health residents have historically gone for cardiac treatment.

Interior Health will retain responsibility for all health care delivery at the new facility and all health care services will continue to be publicly funded in accordance with the Canada Health Act. Interior Health will own the facility over the life of the Project.

"The procurement process for this project offered significant opportunity for our user groups, including clinical and support staff and neighbors, to provide input into the technical, clinical and aesthetic design components of the new building."

– Dr. Robert Halpenny, President and CEO, IHA

Partnership Highlights

Under the terms of the Project Agreement, Plenary Health is responsible for the following:

- Arranging a portion of financing for construction and facility management services for a 33-year term (inclusive of the construction period);
- Designing and building the facility;
- Providing specified facility management services, including plant, interface, utility management, help desk, and miscellaneous occupant request services;
- Maintaining the facility for the 30-year operating phase and returning it in a fully-maintained condition at the end of project agreement term; and
- Obtaining LEED® gold certification within 36 months following completion of construction.

The total nominal cost of the IHSC Building will be \$169.1 million. This number includes capital costs plus equipment, procurement and implementation costs and contingencies.

The Central Okanagan Regional Hospital District (CORHD) is contributing \$30.6 million to the construction of the Building. This contribution will be paid monthly against construction progress and is part of the funding payments that Plenary Health will receive each month against construction costs as certified by an independent certifier.

Plenary Health is incented to perform through a payment mechanism that is based on the principles of performance, facility availability and service quality. Once construction is complete and service commencement has been achieved, Plenary Health will begin receiving an annual service payment from Interior Health. These payments will be made monthly and are based on the availability of the facility and the quality of facility maintenance services provided by Plenary Health.

The IHSC Building is a complex project to design and build and it contains long-term risks, such as challenging ground conditions. The performance-based, fixed-price agreement transfers key design and construction risks, such as cost and schedule, and long-term operations, maintenance and rehabilitation, from the Owner to Plenary Health.

Expected Benefits

By delivering the Project using the DBFM partnership model, significant value for money will be realized for taxpayers over the lifetime of the Concession Agreement. In financial terms, the Partnership model is expected to achieve value for money for taxpayers of \$33 million (net present cost).

The significant value for money in this project is primarily due to the innovative proposal from Plenary Health. The Private Partner submitted a proposal that was overall superior to the other proposals received, offering important improvements on the original concept design and significant cost savings. Plenary Health design features are expected to result in the following benefits:

- Reduced overall cost and shortened construction schedule;
- Enhanced patient safety;
- More efficient facility operations;
- Better working environment for staff;
- More efficient facility operations and a convenient environment for patients and their families; and
- New facilities available to Interior Health patients months earlier than anticipated.

Public Sector Partners

- Ministry of Health
- Interior Health Authority
- Central Okanagan Regional Hospital District

Private Sector Partner

Plenary Health

- Plenary Health (Kelowna) LP
- HOK
- CEI Architecture
- PCL Constructors West Coast Inc.
- Johnson Controls Limited Partnership

Partnership BC's Role

Partnerships BC acted as the procurement manager on this project.