



PROJECT BRIEF

Royal Jubilee Hospital
Patient Care Centre

Table of Contents

1.	<i>Introduction</i>	3
1.1	Purpose of this Project Brief	3
1.2	The Business Opportunity	3
1.3	The Design Build Finance Maintain (DBFM) Approach	4
1.4	Purpose of the Request for Qualifications	5
1.5	Vancouver Island Health Authority and the Project Team	5
2.	<i>The Project</i>	7
2.1	Background to the Project	7
2.2	Project Vision and Objectives and Desired Results	8
2.3	Project Overview – Physical Description of the Project	10
2.3.1	Site and Urban Integration Issues	10
2.3.2	Design/Specification Development Completed to Date	11
2.3.3	Utilities	11
2.3.4	FM Services	11
2.3.5	Site Preparation/Site Services	11
2.4	Funding	12
2.5	Project Elements – Responsibilities of the Partner and of VIHA	12
2.6	Compensation of the Partner	13
3.	<i>The Partner Selection Process</i>	14
3.1	Overview of the Process	14
3.1.1	Request for Qualifications	14
3.1.2	Request for Proposals	14
3.1.3	Project Agreement	14
3.1.4	Collaborative Discussion process	15
3.1.5	Government Approvals	15
4.	<i>General</i>	15
4.1	Transparency of the Selection Process	15
4.2	Partial Compensation (Honoraria)	15
4.3	Planned Schedule	16

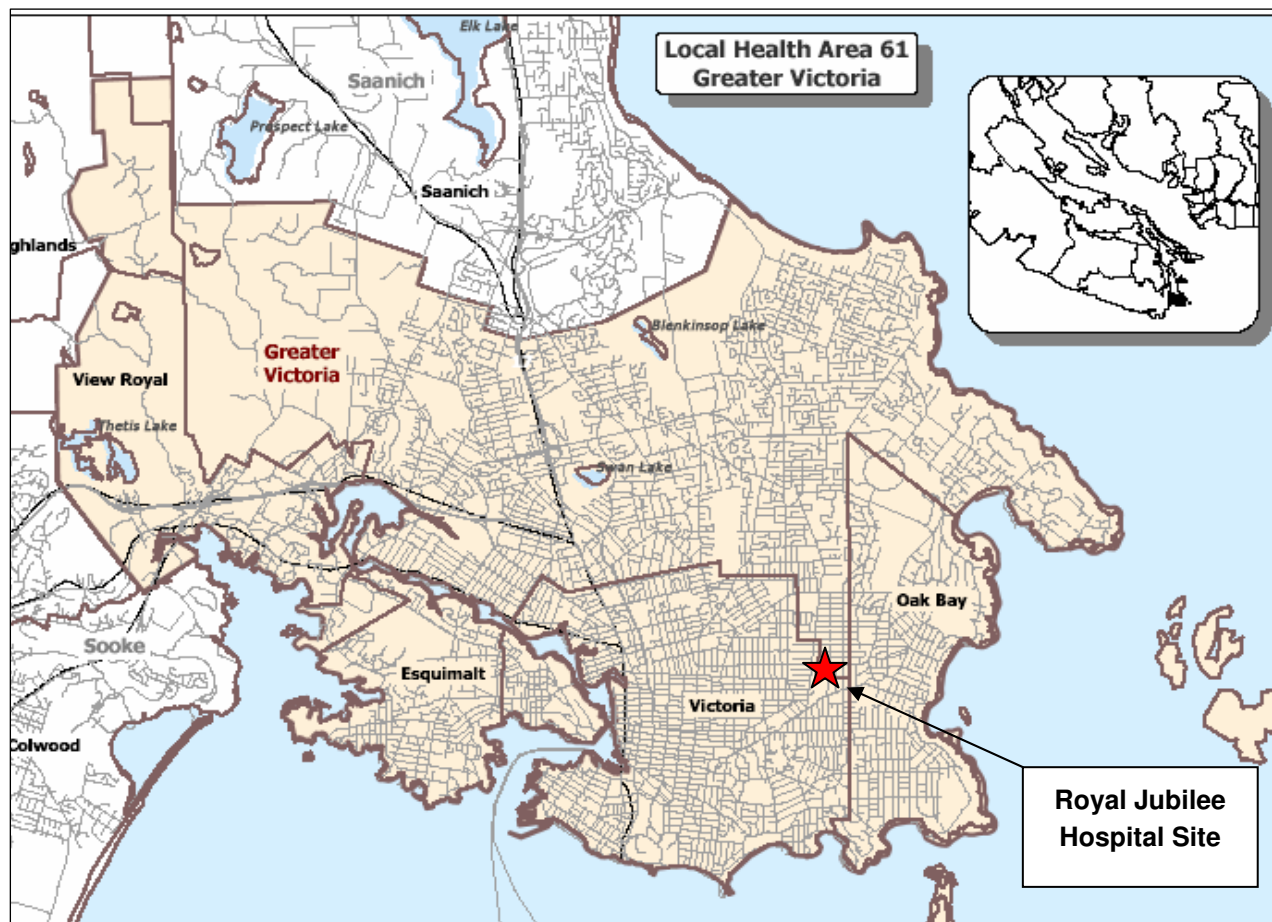
1. INTRODUCTION

1.1 Purpose of this Project Brief

This Project Brief, and all comments included in it, is intended only as a convenient summary and reference describing the Project, the Business Opportunity, the Authority and the anticipated Procurement Process. **The Project Brief is not included as part of the RFQ or RFP, and is not intended to be included with, or referred to in any way in interpreting the requirements of, the RFQ, the RFP, the Project Agreement, or to in any way define or describe any party's rights with respect to the Project.**

1.2 The Business Opportunity

A one-page point-form summary of the Project as anticipated by Vancouver Island Health Authority (VIHA) is attached as Attachment A to this Project Brief.



VIHA has received provincial approval for a new 500 bed Patient Care Centre on the Royal Jubilee Hospital site in Victoria, British Columbia. This Project is the number one capital priority for VIHA and is urgently needed to replace current facilities that are functionally obsolete.

The Project will be procured using a partnership approach. The partnership will utilize a design, build, finance and maintain model in order to take advantage of private sector innovation and expertise. VIHA expects that a single private partner will provide these integrated services, assuming defined project risks and participate in the financing of the Project.

VIHA believes that this Project is an attractive opportunity for participants to form an experienced, highly qualified, multi-disciplinary team supported by the appropriate financial and corporate commitment, resources and experience necessary to undertake this project.

Features of this opportunity include:

- (a) The design and construction of a 500 bed Patient Care Centre;
- (b) The ongoing hard facilities maintenance and rehabilitation of the Patient Care Centre plus housekeeping services;
- (c) A 30-year concession term with the term and structure linked to availability and performance;
- (d) Appropriate risk sharing and compensation;
- (e) The opportunity to address a critical health care need for southern Vancouver Island;
- (f) Strong government and public support for the Project; and
- (g) An interactive procurement process in which the short-listed Proponents and VIHA will have the opportunity to discuss key elements of the Project including procurement issues and structure, design issues and documentation, provisions of the Project Agreement such as appropriate risk allocations, and payment mechanism.

1.3 The Design Build Finance Maintain (DBFM) Approach

The DBFM approach is a partnership procurement model. In this model, VIHA will provide an indicative design and performance (output) requirements, and invite competitive proposals to complete the design, build, finance, and maintenance of the new Patient Care Centre. This model requires Proponents to consider long-term maintenance requirements and provides a financial structure that aligns the incentives of the eventual partner and VIHA.

An amount, bid competitively, will be paid on a regular basis to the partner over the operating term of the agreement, commencing upon the completion of construction and VIHA's commencement of occupation and use.

In the DBFM option the private partner will be responsible for:

- Arranging the project financing partner's portion of the capital costs and agreed Patient Care Centre operations for a specified term (e.g., 33 years inclusive of construction);
- Designing, constructing and commissioning the Patient Care Centre;
- Providing hard facilities maintenance and rehabilitation services as well as housekeeping for the Patient Care Centre over the Project term; and
- At the end of the Project term, the return of the Patient Care Centre to VIHA in a specified hand-back condition.

VIHA will own the site and the Patient Care Centre for the duration of the Project Agreement. The private partner will provide all building maintenance and housekeeping services under a long-term licence or lease agreement.

Payment to the private partner will commence after the construction of the Patient Care Centre has been completed and is available for use. Regular payments will be made, based on the availability and performance of the Patient Care Centre.

1.4 Purpose of the Request for Qualifications

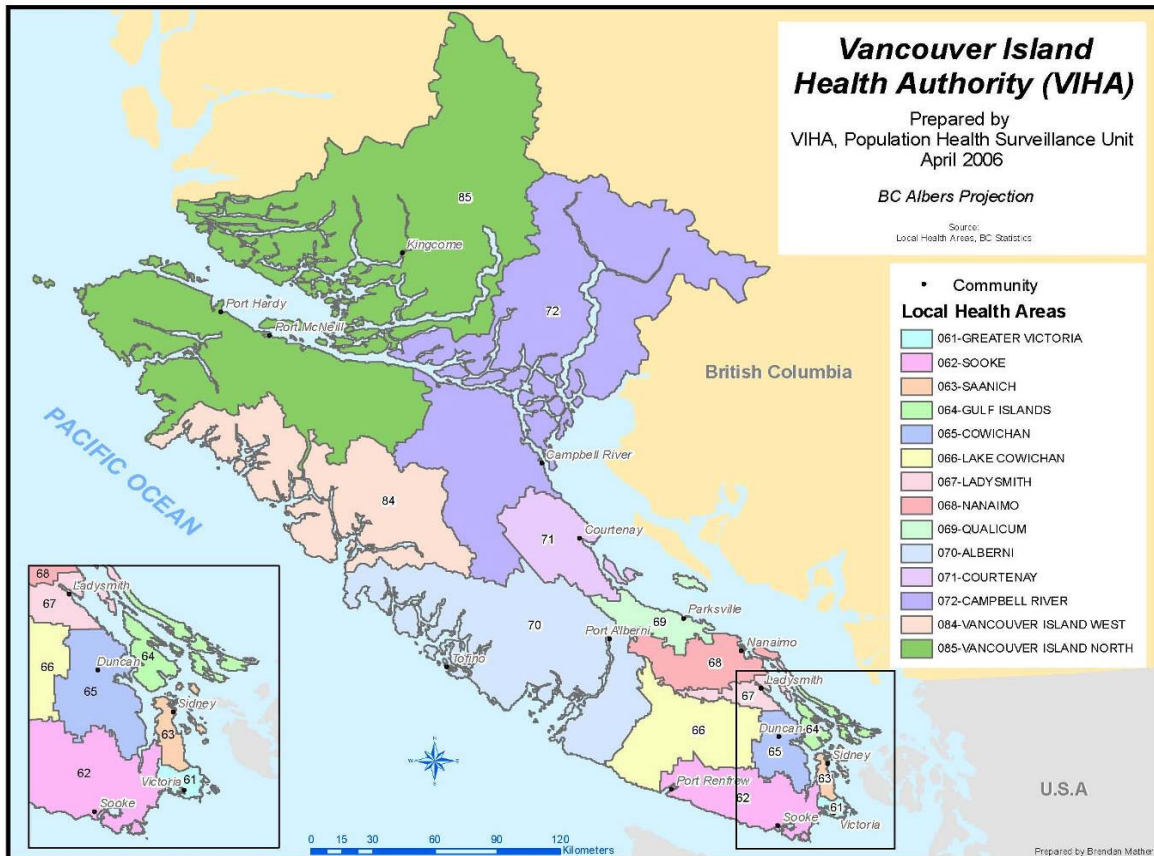
The accompanying Request for Qualifications (RFQ) is being issued by VIHA for the purpose of identifying a short-list of entities to be invited to participate in a Competitive Selection Process for the replacement of inpatient facilities at Royal Jubilee Hospital (RJH). VIHA intends that only entities selected through the RFQ will be eligible to be invited to submit a Proposal in response to the Request for Proposals (RFP) for the Project.

VIHA wishes to enter into a contract for the Project that will permit VIHA to achieve its general objective to provide appropriate, modern and effective inpatient services at RJH.

1.5 Vancouver Island Health Authority and the Project Team

There are six provincial health authorities which are the main organizations responsible for local health service delivery in the province. Vancouver Island Health Authority is one of the five regional health authorities responsible for delivering a full continuum of health services to meet the needs of the population within its respective region. It is responsible for providing a wide range of health services to over 730,000 people across a large and diverse geographic area which includes Vancouver Island, the Gulf and Discovery Islands, and parts of the mainland area opposite northern Vancouver Island.

Additional information about VIHA is available at www.viha.ca



VIHA has engaged Partnerships British Columbia Inc. (Partnerships BC) to manage the Competitive Selection Process for this project.

Partnerships BC was established by the Government of British Columbia to structure and implement partnership solutions which serve the public interest. Additional information about Partnerships BC is available at www.partnershipsbc.ca.

VIHA has established a project governance structure for the Project. There is a Project Director who is responsible for the Project and the day to day functioning of the Project Working Team. The Project Director reports to, and seeks direction from, the Project Steering Committee.

VIHA has also retained the following advisors to assist in implementing the Project:

- Zeidler Architects (and sub-consultants)
- Ernst & Young Orenda Corporate Finance Inc.

- Bull, Housser & Tupper LLP
- Les Peterson (Conflict of Interest Adjudicator)
- Boulevard Transportation Group Ltd.
- Caroline Webster Consulting
- ADR Chambers Inc. (Fairness Advisor)

2. THE PROJECT

2.1 Background to the Project

Investment in the renewal of inpatient facilities at Royal Jubilee Hospital is urgently needed to replace aging infrastructure that is unsuitable for health care uses in that it exposes patients, staff, clinicians, and visitors to a number of potential and avoidable risks.

Renewal also provides a unique opportunity to achieve a number of wider health care delivery goals aimed at improved quality, patient outcomes, efficiency, reduced infection levels, system sustainability, and improved support for future health care professionals through enhanced teaching capacity.

The replacement of inpatient facilities at RJH is rated the top priority for capital investment and a critical element of VIHA's Five-Year Strategic Plan.

To develop a new Patient Care Centre, several other elements need to be addressed. It will be necessary to provide appropriate site infrastructure (e.g., parking and adequate power), as well as relocate programs (displaced by the development of the additional parking spaces required by the City of Victoria as a condition of a development permit for the new Patient Care Centre).

Consequently, in addition to renewal of the inpatient accommodation, VIHA intends to construct three other related projects which VIHA will undertake separately from the Patient Care Centre Project in a way so as not to interfere with the schedule for the design and construction of the Patient Care Centre:

- Provision of sufficient utility services;
- Parking; and
- Program Relocation.

These other projects are not part of the opportunity presented in this brief or in the corresponding Competitive Selection Process. It is expected that the total project cost for both the Patient Care Centre and the three other project elements described above falls in the range

of \$250 to \$300 million dollars, of which it is estimated approximately \$200 million will be used for the design and construction of the Patient Care Centre.

The Project presents an opportunity to address both current and future needs. Health care is subject to significant and ongoing change in processes, equipment and information technology. There is a unique opportunity to design a Patient Care Centre that meets best practices; provides care in an effective, efficient way; and attracts the best health care professionals to care for VIHA residents.

2.2 Project Vision and Objectives and Desired Results

VIHA has developed a vision, objectives and guiding principles for the Project.

The vision for the Project:

***Together we will create an innovative environment that
inspires caring and the pursuit of excellence.***

Achieving the Project objectives for the renewal of inpatient accommodation at RJH will result in a Patient Care Centre that is designed to:

- Accommodate current and future inpatient acute care service requirements at RJH;
- Improve safety, efficiency and outcomes for patients, clinicians and staff;
- Increase quality of care provided to patients at RJH; and
- Complete the Project by early 2010 to minimize cost escalation.

In developing this project VIHA has established Guiding Principles which include:

- Create a patient-centred facility that will support excellence and innovation in the delivery of safe, quality health care;
- Consolidate programs offered on the campus to enable seamless care and support for patients and their families;
- Design a Patient Care Centre that will meet the needs of patients, visitors, employees, physicians, volunteers, learners, teachers and researchers now and into the future;
- Create an environment where employees, physicians and volunteers can work collaboratively in promoting health and wellness;
- Develop and maintain a healing environment that is sensitive to diversity;
- Design a Patient Care Centre that will foster a safe environment that supports health care providers;

- Use evidence-based design to maximize safety for patients and staff;
- Construct a Patient Care Centre that will promote synergies between health care, teaching and research;
- Make the design flexible and adaptable to support future changes in health care delivery;
- Use a design that will minimize impact on the natural and physical environment;
- Use technology to improve cost-effectiveness, integrate services and achieve better health outcomes; and
- Create an environment that is elder-friendly.

Project objectives and the corresponding desired results are presented in the table below.

OBJECTIVE	DESIRED RESULTS
Accommodate current and future inpatient acute care service requirements at RJH.	<ul style="list-style-type: none"> ▪ <i>Accommodate inpatient service requirements to 2020 and beyond</i> ▪ <i>Allow for long-term flexibility around clinical patient care delivery</i>
Improve safety, efficiency and outcomes for patients, clinicians and staff.	<ul style="list-style-type: none"> ▪ <i>Improve safety for both patients and staff</i> ▪ <i>Improve clinical outcomes for patients and reduce infection risks</i> ▪ <i>Improve attraction and retention of health care professionals</i> ▪ <i>Increase efficiency of operations and overall operations costs</i>
Increase quality of care provided to patients at RJH.	<ul style="list-style-type: none"> ▪ <i>Provide modern, effective inpatient accommodation</i> ▪ <i>Increase the quality of health care provided to patients at RJH resulting in improved clinical outcomes</i>
Complete the Project by early 2010 to minimize cost escalation.	<ul style="list-style-type: none"> ▪ <i>Complete the Project in a timely fashion to realize benefits for both patients and staff</i> ▪ <i>Complete the Project within affordability constraints and maximize value for money</i>

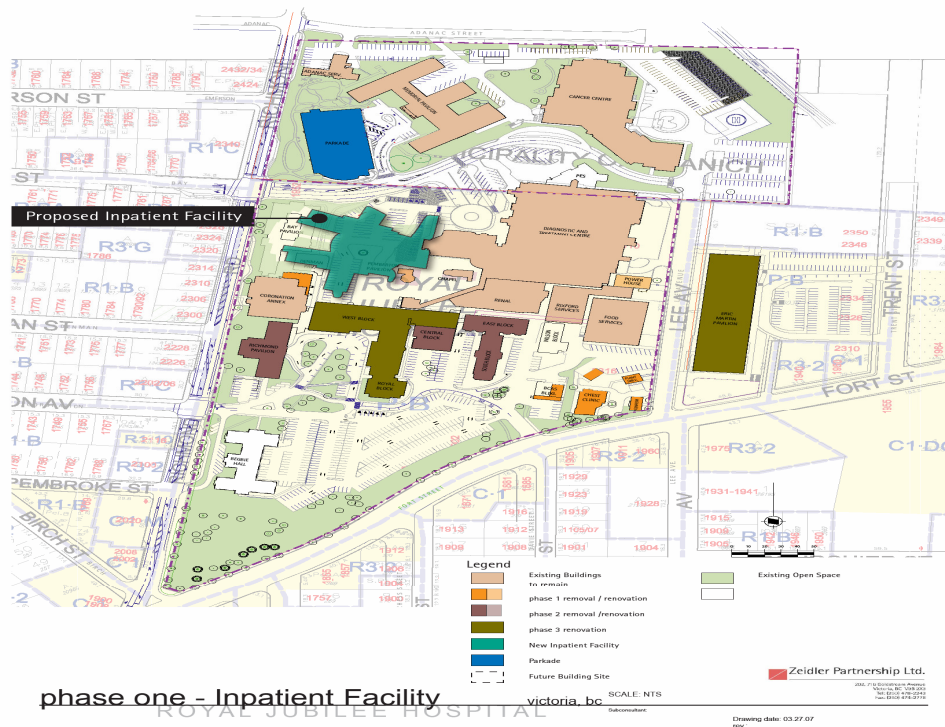
2.3 Project Overview – Physical Description of the Project

The new Patient Care Centre will replace inpatient accommodation on the RJH site only. Preliminary planning indicates that the new Patient Care Centre will include:

- 500 inpatient beds – repetitive floor plate
- Approximately 320,000 square feet
- Approximately 10 stories tall
- Approximately 70% single bedrooms, some double and triple bedrooms

2.3.1 Site and Urban Integration Issues

The RJH site is surrounded by residential and mixed use commercial properties. These include single detached homes, low rise apartments and a school. This picture shows the RJH site and the location of the Patient Care Centre as described in this brief.



A protection strategy will need to be developed for two heritage buildings that are in close proximity to the expected building footprint.

2.3.2 Design/Specification Development Completed to Date

In order to meet the desired timeline for the Project, VIHA has retained design consultants to do design development as required to apply for the rezoning and development permits from the City of Victoria. This preliminary design work will be the minimum required to begin the City process and the successful Proponent will be expected to be responsible for the completion of the design and completion of the City process. Under the RFP, the short-listed Proponents will be requested to develop design proposals having regard to the preliminary design work and the requirements of the City. VIHA will invite alternative designs, but the schedule risk in the City's approval process will be a consideration in the review of any such alternative. The Project expects to engage Proponents in design discussions in the bilateral process of the RFP.

2.3.3 Utilities

The site for the Facility has power and other utilities to the edge of the site. The new Facility can rely on these, or may be built as a stand-alone facility.

2.3.4 FM Services

The successful Proponent will be responsible for the provision, maintenance and repair, and as appropriate, upgrading of all physical plant and plant maintenance equipment, and all lighting fixtures, fixed equipment, building finishes and fixed furnishings required to obtain an occupancy permit for the Patient Care Centre. VIHA will be responsible for all clinical equipment. The successful Proponent will also be responsible for the provision, maintenance and repair, and as appropriate, the upgrading of a fibre optic backbone or wireless media, including all cabling and power points, for the information management and technology systems which will be initially installed. The successful Proponent will also be responsible for housekeeping for the Patient Care Centre.

2.3.5 Site Preparation/Site Services

The site has previously been excavated and back-filled; since 2003 it has been utilized as a parking lot. Two buildings are in the expected footprint of the new Patient Care Centre and will be demolished by VIHA prior to the commencement of construction of the Project, leaving a clean site with what is expected to be an adequate staging area.

It is expected that site services will be supplied through the attachment of the new Patient Care Centre to the existing Diagnostic and Treatment Centre.

VIHA will provide all required utilities to the edge of the site.

2.4 Funding

VIHA anticipates obtaining funding for the capital cost of the new Patient Care Centre as follows:

- (a) Capital Regional Hospital District (CRHD) has indicated it will provide approximately 40% of the capital cost of the Project, and the Project will not proceed without confirmation of such funding;
- (b) RJH has an active foundation that is expected to provide funding to be used toward purchase of equipment, which will be confirmed before proceeding with the Project; and
- (c) Balance of the capital cost of the Project from the successful Proponent.

2.5 Project Elements – Responsibilities of the Partner and of VIHA

PROJECT ELEMENT	DESCRIPTION
Elements to be delivered by the partner	
Design and Construct	Design, construct and commission the Patient Care Centre including: <ul style="list-style-type: none"> ▪ Obtain all final building and development permits ▪ Design, construct and commission all space ▪ Provision, maintenance, repair and, as appropriate, upgrading of all fixed equipment ▪ Provision, maintenance, repair and, as appropriate, upgrading of fibre optic backbone or wireless media, including all cabling and power points, for the information management and technology systems ▪ Management of the design development process.

PROJECT ELEMENT	DESCRIPTION
Commercial Opportunities	The provision of commercial opportunities possibly comprising the design, construction and operation of a retail precinct and a restaurant within the Patient Care Centre.
Finance	Procurement of the financial resources to fund the delivery of the Project.
Handback	Undertaking all the necessary tasks to ensure that the Patient Care Centre and site are returned to VIHA in accordance with the Project's contractual requirements at the end of term.
Elements to be delivered, managed or owned by VIHA	
Facilities	VIHA will own the site and all buildings and other improvements on the site, subject to any lease, licence or other rights to be granted to the partner.
Hospital Functions	Ongoing delivery of all hospital functions and activities that do not form part of the Project.
City Process	Obtaining the rezoning of the site and development permit with the accountability for any amendments the responsibility of the successful partner.

2.6 Compensation of the Partner

Proponents will be required to bid the service payments that will be made by VIHA throughout the operating term. VIHA will make service payments every 28 days. The service payments may only be indexed consistent with, and to the extent of, the underlying component(s) comprising the service payment. The indexation factor will be derived from a common Canadian published index.

Any failure to provide services in accordance with the service specifications may constitute a service failure and may result in the abatement of service payments as defined in the Project payment mechanism.

3. THE PARTNER SELECTION PROCESS

VIHA intends the Competitive Selection Process to be a two-stage process as follows:

- Request for Qualifications – up to three Respondents will be designated Qualified Proponents; and
- Request for Proposals from Qualified Proponents at the end of which a Preferred Proponent will be selected to sign the Project Agreement.

3.1 Overview of the Process

3.1.1 Request for Qualifications

The purpose of the RFQ is to identify and select Respondents who will be invited to respond to the RFP. This is a major project, and therefore VIHA intends to select a partner that will have demonstrated that it has an interest, the experience, expertise, innovation, competence and capacity to ensure the Project's success. The RFQ sets out the information requested from Respondents, and the evaluation criteria that will be used to evaluate responses.

VIHA intends to select a maximum of three Respondents who will then be invited to submit proposals based on the specifications that will be indicated in the RFP.

3.1.2 Request for Proposals

Respondents who are short-listed at the RFQ phase will then be invited to submit proposals based on the output specifications and requirements included in the RFP. The RFP will detail the business opportunity that the Respondents are invited to submit proposals to.

3.1.3 Project Agreement

The draft Project Agreement will be included with the RFP. Proponents will be invited to provide comments on the agreement and VIHA will respond to these comments while the RFP is open. Prior to the close of the RFP, VIHA will issue a Project Agreement in final form to which the Proponents will be expected to bid. If a Proponent submits a compliant bid, alternative proposals of priced options based on modifications to the final Project Agreement can be submitted for VIHA's consideration, at VIHA's sole discretion.

3.1.4 Collaborative Discussion process

VIHA expects the RFP process to include a series of bilateral meetings with each Proponent. The purpose of such meetings is to aid Proponents in submitting quality proposals that effectively address the needs of VIHA. Meetings will include three topic areas: Clinical/Design, Facilities Management, and Commercial/Legal.

3.1.5 Government Approvals

This Project has been approved to proceed to RFQ by the government.

Following RFQ, a draft Project Agreement and RFP will need to be submitted to the Province of B.C. for review prior to issue.

Following the completion of the RFP, and once the Preferred Proponent is announced and legal documentation is finalized, the Project Agreement will need to be submitted to the Province of B.C. for approval prior to final execution.

4. GENERAL

4.1 Transparency of the Selection Process

The RFQ, RFP and addenda will be public documents, although only short-listed Respondents will be invited to respond to the RFP.

At the completion of the procurement process, the Project Team will prepare a summary document that describes the outcome of the procurement process and identifies the value for money achieved through the public private partnership. Value for money is a broad term that captures both quantitative factors, such as project costs, and qualitative factors, such as improving service quality and protecting the public interest.

The Fairness Advisor will issue reports documenting the procurement process from a fairness perspective and giving an unbiased opinion on the fairness of the entire procurement process.

Both the Value for Money report and the Fairness Advisor's reports will be released publicly.

The entire process is subject to the *Freedom of Information and Protection of Privacy Act* (FOIPPA).

4.2 Partial Compensation (Honoraria)

VIHA does not intend to pay any honoraria during the RFQ phase. VIHA intends to offer honoraria to unsuccessful Proponents who submit a compliant bid in response to the RFP.

4.3 Planned Schedule

The Project schedule is provided in the RFQ.

Attachment A

Summary of the Royal Jubilee Patient Care Centre Project

- Project to be undertaken as a public private partnership (design, build, finance, maintain).
- Project to be on land located on existing Royal Jubilee Hospital site, owned by Vancouver Island Health Authority, and to be made available by way of licence or lease.
- Demolition and site-clearing to be undertaken by VIHA prior to the commencement of construction.
- Land-use approval (zoning) to be obtained by VIHA.
- 500 bed patient care centre, to be designed based on pre-design undertaken by VIHA as part of re-zoning process.
- 30-year concession for maintenance and repair of the building to standard of owner-operated building, plus “hard” facilities maintenance and housekeeping.
- VIHA funding to approximately 40% of capital cost; private partner to provide approximately 60% of capital cost by way of approved capital structure including equity and debt.
- Payment based on 28-day payment periods over the operating period, commencing from time of occupation and use of the building by VIHA, based on availability as well as performance of maintenance services to prescribed standards.