



MINISTRY OF JUSTICE

MINISTRY OF CITIZENS'
SERVICES AND OPEN
GOVERNMENT

Project Brief

Okanagan Correctional Centre

December 12, 2012

TABLE OF CONTENTS

1	INTRODUCTION	1
1.1	Purpose of this Project Brief	1
2	THE BUSINESS OPPORTUNITY	2
3	THE PROJECT.....	3
3.1	Background to the Project	3
3.2	Project Objectives	3
3.3	Project Site	3
3.4	The Authority	4
3.5	Legislative Requirements	5
3.6	Project Elements.....	5
3.7	Compensation of the Partner.....	6
4	THE COMPETITIVE SELECTION PROCESS.....	6
4.1	Transparency of the Competitive Selection Process	7
4.2	Partial Compensation.....	8
5	PROJECT SCHEDULE.....	8

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 Okanagan Correctional Centre Project, the business opportunity, the Authority, and the anticipated competitive selection process. **The Project Brief is not included as part of the Request for Qualifications (RFQ) or Request for Proposals (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.**



2 THE BUSINESS OPPORTUNITY

The Ministry of Justice and the Ministry of Citizens' Services and Open Government (the "**Authority**") is seeking to enter into a contract with a qualified entity to design, build, finance and maintain the Okanagan Correctional Centre on Osoyoos Indian Band land near Oliver, British Columbia.

The Project will be procured using a partnership approach. The partnership will utilize a Design Build Finance and Maintain ("**DBFM**") model in order to take advantage of private sector innovation and expertise. The Authority expects that a single private partner will provide these integrated services, assuming and sharing defined project risks and participating in the financing of the Project.

The Authority believes that the Project is an 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 the Project.

Features of this business opportunity include:

- (a) The design and construction of a 378-cell high-security correctional centre Facility;
- (b) The Project's estimated capital cost is in the range of \$200 million;
- (c) A 30-year concession term upon service commencement for the Facility, with the term and structure linked to availability and performance;
- (d) The opportunity to address a critical infrastructure need for the Authority;
- (e) Strong government and stakeholder support for the Project; and
- (f) An interactive competitive selection process in which shortlisted teams and the Authority will have the opportunity to discuss key elements of the Project including procurement issues, design issues and documentation, and provisions of the Project Agreement such as appropriate risk allocations and payment mechanism.

The Project has been approved to proceed to procurement by the Province of British Columbia. Further Authority and provincial approvals are expected to be required prior to issuance of the RFP and Financial Close.



3 THE PROJECT

3.1 BACKGROUND TO THE PROJECT

The Corrections Branch of the Ministry of Justice manages nine remand and sentenced facilities in the province of B.C. Correctional facilities are at capacity and there are insufficient cells available to adequately accommodate projected inmate populations. Government has approved the Project to provide much-needed capacity through development of a correctional centre in the Okanagan.

The Project will add 378 high-security inmate cells to the provincial correctional capacity. Adult males will be accommodated within ten living units, each containing 36 cells. The Facility is anticipated to consist of two pods of four living units, and a third pod of two living units grouped with a segregation unit and a health care area. Adult females will be accommodated in a separate 18-cell living unit.

3.2 PROJECT OBJECTIVES

The following objectives were established to guide the development of the Project:

- (a) Provide needed capacity to meet demand requirements in the Okanagan and Southeast B.C.;
- (b) Provide and increase access to correctional programs that reduce re-offending;
- (c) Accommodate inmates in an effective and respectful environment;
- (d) Provide a positive work environment necessary to recruit and retain the highest quality correctional staff;
- (e) Develop a state-of-the-art facility that optimizes the use of innovation and technology to maximize building reliability and accessibility; and
- (f) Develop a facility that supports the health and safety of inmates and staff.

3.3 PROJECT SITE

The Project site (the “**Site**”) is a 36-acre site located seven kilometres north of Oliver, British Columbia on Highway 97 in the southern end of the Senkulmen Business Park, which is owned by the Osoyoos Indian Band.

The Authority will lease the Site and own the Facility for the duration of the Project Agreement and will provide all of the custodial services. The private partner will provide all facility management services under a long-term agreement for the Project.



3.4 THE AUTHORITY

The Authority is comprised of the Ministry of Justice and the Ministry of Citizens' Services and Open Government.

3.4.1 Ministry of Justice

The Ministry of Justice ("MOJ") has a mission to lead law reform in British Columbia, see that public affairs are administered in accordance with the law, and ensure that British Columbia is a province where people are safe. MOJ's portfolio includes the Corrections Branch which administers the Adult Custody Division, the Community Corrections Division, the Strategic Operations Division and the Capital Division. Adult Custody operates correctional centres with various levels of security and control for individuals awaiting trial or serving a provincial custody sentence.

Additional information about MOJ is available at: www.pssg.gov.bc.ca/corrections

3.4.2 Ministry of Citizens' Services and Open Government

The Ministry of Citizens' Services and Open Government includes Shared Services BC ("SSBC"). SSBC provides accommodation and real estate services to ministries and the broader public sector, and also manages the Province's real estate portfolio of leased and government-owned properties.

Additional information about SSBC is available at www.accommodationandrealestate.gov.bc.ca/.

3.4.3 Partnerships British Columbia

The Authority has engaged Partnerships British Columbia Inc. ("Partnerships BC") to manage the competitive selection process for this Project.

Additional information about Partnerships BC is available at www.partnershipsbcc.ca.

3.4.4 The Authority's Advisors

The Authority has retained the following advisors to assist in implementing the Project:

- Boughton Law Corp. (COI Adjudicator);
- Borden Ladner Gervais LLP (Legal Advisor);
- IBI Group and sub-consultants (the Authority's Compliance Team) including:
 - Acumen Engineering;
 - Carter Goble Lee;
 - Daniel Lyzun & Associates;



- Focus Corporation;
- Golder Associates Ltd.;
- MCW Consultants Ltd.; and
- Read Jones Christoffersen Consulting Engineers.
- John Singleton, Q.C. (Fairness Advisor);
- PricewaterhouseCoopers LLP (Business Advisor); and
- Spiegel, Skillen + Associates Ltd. (Quantity Surveyor).

3.5 LEGISLATIVE REQUIREMENTS

3.5.1 Wood First

As contemplated by the Wood First Act (British Columbia), the successful Proponent will be required to use wood in the Project, to the extent possible in a correctional centre, consistent with that legislation.

3.5.2 LEED®

The successful Proponent will be required to build the Project to achieve LEED® Gold certification.

3.6 PROJECT ELEMENTS

Table 1 identifies and describes the elements of the Project that will be delivered by Project Co, and the elements that will be delivered, managed or owned by the Authority.

Table 1. Project Elements

Project Element	Description
Elements to be delivered by Project Co:	
Design and Construction	Design, construct and commission the Facility including: <ul style="list-style-type: none">▪ Obtain all permits and approvals necessary for construction;▪ Design, construct and commission all space;▪ Management of the design development process; and▪ Achieve LEED® Gold certification.
Facility Services	Provide services which include general management, facilities maintenance, environmental, roads and grounds maintenance and landscaping, help desk, utility management, waste management and recycling and pest control.

Project Element	Description
Life Cycle and Hand-back	Maintain the Facility to agreed physical and performance standards and return the Facility to the Authority in the specified condition at the end of the term.
Equipment	Supply, procure, install and maintain certain equipment items.
Finance	Provide all required funding for design, construction, finance costs and maintenance, by way of equity and/or debt financing.
Elements to be delivered, managed or owned by the Authority:	
Custodial Services	All custodial services will be delivered by the Authority.
Equipment	Certain types of equipment may be purchased by the Authority and will need to be integrated into the design and in some cases installed.

3.7 COMPENSATION OF THE PARTNER

Proponents will be required to bid the monthly service payments that will be made by the Authority throughout the operating term of the Project Agreement. 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. It is anticipated that the Authority will also make progress payments during construction (the amount, timing and terms and conditions of which will be set out in the RFP, but which are anticipated to be in the range of 35 to 40 per cent of Project capital costs).

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

An amount, bid competitively, will be paid monthly to the partner over the operating term of the Project Agreement, based on the availability and performance of the Facility, commencing upon the Authority's commencement of occupation and use.

4 THE COMPETITIVE SELECTION PROCESS

The Authority intends the competitive selection process to be a two-stage process as follows:

- Request for Qualifications (“RFQ”); and
- Request for Proposals (“RFP”) from proponents qualified at the RFQ stage.



The accompanying RFQ is being issued by the Authority for the purpose of identifying a shortlist of teams to be invited to participate in a competitive selection process for the development of the Project. The Authority intends that only teams selected through the RFQ will be eligible to be invited to submit a proposal in response to the RFP for the Project.

Table 2 provides an outline of the competitive selection process.

Table 2: The Competitive Selection Process

Project Stage	Description
Request for Qualifications	<ul style="list-style-type: none">▪ Identify and select respondents who will be invited to respond to the RFP.▪ The RFQ sets out the information requested from respondents, and the evaluation criteria that will be used to evaluate responses.▪ The Authority intends to shortlist a maximum of three respondent teams who will then be invited to submit proposals based on the specifications that will be included in the RFP.
Request for Proposals	<ul style="list-style-type: none">▪ Proponents will be invited to submit proposals based on the performance specifications, the Final Draft Project Agreement, and requirements included in the RFP.▪ The RFP will detail the business opportunity that the Proponents are invited to submit proposals to.▪ It is anticipated that the RFP will include a mandatory financial affordability ceiling and it is anticipated that proposals that exceed this ceiling will be disqualified.
Collaborative Discussion Process	<ul style="list-style-type: none">▪ The Authority expects the RFP process to include a series of collaborative meetings with each proponent.▪ The purpose of such meetings is to aid proponents in submitting quality proposals that effectively address the needs of the Authority.▪ Meetings will typically include three topic areas: Design, Facility Management, and Commercial/Legal.
Project Agreement	<ul style="list-style-type: none">▪ The Initial Draft Project Agreement will be included with the RFP.▪ Proponents will be invited to provide comments on the agreement and the Authority will respond to these comments while the RFP is open.▪ Prior to the close of the RFP, the Authority will issue a Project Agreement in final form to which the proponents will be expected to provide a proposal.

4.1 TRANSPARENCY OF THE COMPETITIVE SELECTION PROCESS

The RFQ and RFP (including addenda) will be public documents, although only proponents will be invited to respond to the RFP. The names of shortlisted teams will be made public.



At the completion of the procurement process, the project team will prepare and publish a summary project report that describes the competitive selection process and the expected benefits of the Project. The Project Agreement will be disclosed.

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 competitive selection process.

Both the project 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.

4.2 PARTIAL COMPENSATION

The Authority will not pay any partial compensation during the RFQ stage. The Authority expects to offer partial compensation in the amount of \$250,000 to each unsuccessful proponent who submits a bona fide proposal in response to the RFP.

5 PROJECT SCHEDULE

Table 3 provides the Authority's estimated timeline for the competitive selection process and the Project.

Table 3: Project Schedule

Activity	Timeline
RFQ issue date	December 12, 2012
Introductory Project Meeting	January 16, 2013
RFQ Submission Time	February 5, 2013
Announce Shortlisted Respondents	March 2013
Issue RFP and Draft Project Agreement to Proponents	March 2013
Collaborative Meetings	April – July 2013
Issue Final Draft Project Agreement	August 2013
Submission Time for Technical Submissions	September 2013
Submission Time for Financial Submissions	December 2013
Selection of Preferred Proponent	January 2014
Financial Close	March 2014
Construction commences	March 2014
Substantial Completion	August 2016

