



## Project Brief

# Penticton Regional Hospital Patient Care Tower

September 2014

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## 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 Penticton Regional Hospital Patient Care Tower Project (the “**Project**”), the business opportunity, 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

Interior Health (the “**Authority**”) is seeking to enter into a contract with a qualified entity to design, build, finance and maintain a new patient care tower at Penticton Regional Hospital in Penticton.

The Project will be procured using a partnership approach. The partnership will use a Design Build Finance and Maintain (“**DBFM**”) model to make best use of taxpayers’ dollars and to leverage 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 Project’s all-in capital cost is in the range of \$325 million. This includes a design build finance maintain capital component of approximately \$245 million.

Features of this business opportunity include:

- (a) The design and construction of a new 26,700 square metre Patient Care Tower and 20,600 square metre Parkade (Phase 1 of a two-phased overall project on the Penticton Regional Hospital Campus);
- (b) A 30-year concession term for the Facility, with the term and structure linked to availability and performance;
- (c) Appropriate risk sharing and compensation;
- (d) The opportunity to address a critical infrastructure need for the Authority;
- (e) Strong government and public 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 Government 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

Penticton Regional Hospital is one of six referral centres within Interior Health's network of hospitals. Penticton Regional Hospital provides secondary and specialized acute care for patients living in the South Okanagan referral area.

The hospital's roles for acute care and diagnostics are well integrated with residential, community, mental health and primary care services in the community of Penticton and the surrounding area. The hospital is located in an area of Penticton that has become, in essence, an integrated campus of care. Patients identify this part of Penticton as the place that offers services supporting their care needs. The co-locations and physical adjacencies support both the functions of the care continuum and the actual steps of the patient journey. The Penticton Health Centre (with Community and Mental Health services) is located across the street from the hospital. Westview is adjacent to the hospital and provides residential care. The Moog and Friends Hospice House was built on site in 1998 to provide palliative care. The Okanagan Similkameen Neurological Society Child Development Centre is located immediately west of the hospital. Physician offices for some disciplines are in close proximity to the hospital.

Penticton Regional Hospital was incorporated to serve its community in 1913. The current hospital was constructed in 1951 with building additions in 1969 and 1989/1991. The 1969 additions provided infrastructure for Laboratory, Radiology, Operating Suites, South Pavilion and Westview North. The 1989/1991 additions were built for the care areas of Ambulatory Care, Critical Care, Westview South and Psychiatry.

There are critical challenges facing Penticton Regional Hospital. The current infrastructure impedes delivery of safe, timely and effective patient care. These challenges are amplified by patient numbers being over-capacity, patient access problems, and infection control issues caused in part by multi-bed wards. Work environments are unsafe; for example, there is inadequate space to meet ergonomic standards and provide aids such as ceiling lifts. Room configurations compromise patient confidentiality, safety and privacy; for example, some patient waiting areas are in public hallways, treatment bays are open spaces, and inpatient rooms have 3 and 4 beds with shared washroom facilities. The physical constraints also extend to an inability to adequately participate in clinical education to prepare future health care providers. The physical facility has not kept pace with growing health care needs in the South Okanagan.

Completion of the Penticton Regional Hospital Patient Care Tower will have a profoundly positive impact on the patients served.

### 3.2 PROJECT OBJECTIVES

In support of the Project Vision and Project Guiding Principles, the Project Objectives are:

- Deliver the approved project scope and enable specific program/departmental objectives to be achieved;
- Improve model of care and patient outcomes/safety through application of evidence-based design principles and health care facility design and construction standards that all have a patient-centred design philosophy;
- Implement design features that enhance well-being of patients, families, visitors, staff and communities;
- Create a healthy and safe work environment that improves engagement, recruitment and retention, and minimizes workplace injuries;
- Support the IMIT strategic plan by providing a robust, flexible technical infrastructure;
- Optimize utilization and efficiency to improve health system sustainability;
- Maintain full 24/7 hospital operations throughout the construction and operations phase; and
- Minimize overall capital and operating costs of the project.

### 3.3 PROJECT SCOPE

The Patient Care Tower is Phase 1 of a two-phased project on the Penticton Regional Hospital Campus. The indicative design work proposes a seven-story building and a five-story parking garage. Phase 2 includes renovation for an expanded Emergency Department, plus renovations for the support areas of Pharmacy, Stores and Laundry. Phase 2 is not included in this procurement.

The Project is being procured using a design, build, finance and maintain (“**DBFM**”) approach. The Patient Care Tower is planned to be approximately 26,700 square metres (gross floor area) of new clinical, administrative and support spaces. The major program components include ambulatory care clinics, surgical services and inpatient units. The Patient Care Tower will be constructed on the current Penticton Regional Hospital site. In order to accommodate the required number of parking stalls to support the site, a parking garage is planned for approximately 500 stalls. The Project Company’s scope of responsibilities will also include the facility and equipment maintenance and repair for the existing campus.

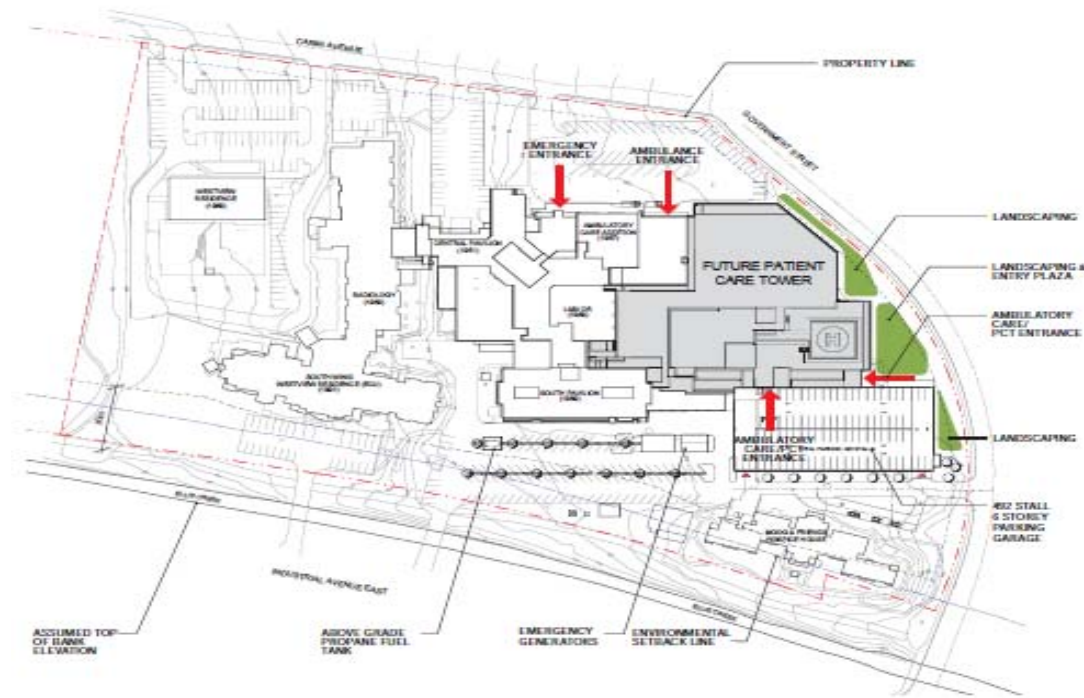
The table below summarizes the Project scope:

Patient Care Tower	
▪	Medical/Surgical Inpatient Units (three 28-bed units)
▪	Surgical Services Suite
▪	Medical Device Reprocessing
▪	Ambulatory Care Centre
▪	UBC Faculty of Medicine Program
▪	Retail Space
▪	Parking Garage (Approximately 500 Stalls)
▪	Helipad

### 3.4 PROJECT SITE

The location for the new Patient Care Tower is on the existing Penticton Regional Hospital Campus shown in the site plan below.

#### Existing Penticton Regional Hospital Campus Overview with New Patient Care Tower



The eastern portion of the site was considered for the new Patient Care Tower due to its relatively undeveloped condition. The planning also respects the campus Master Plan which envisions the eventual development of the northern portion to accommodate future Acute Care Services expansion.

The building is to be located east of the existing Laboratory and Emergency Department and will connect directly to the existing building. The parking garage is to be located to the southeast of the Patient Care Tower, between the new building and the existing Hospice. The parking garage will provide direct connections to Levels 0, 1 and 2 of the new building.

The location of the parking garage is approximately 20 metres north of the existing hospice. The Patient Care Tower will maintain the existing Penticton Regional Hospital north entrance as the inpatient and Emergency Department entrances into the hospital. These will be separate entrances, but co-located at the northern side of the site near their current location. Ambulatory care patients will enter the building from either the east side through the new Patient Care Tower entrance, or south through the new parking garage.

The existing north vehicular entrance will be maintained and will serve primarily emergency vehicles. Visitors arriving to the Patient Care Tower will enter the site from the southeast corner where a new vehicular access road will be provided to the north of the intersection between Government Street and Industrial Avenue. From the new roadway, vehicles will turn into Level 1 of the parking garage where there will be a pick-up/drop-off area accessible to the general public and patients arriving by Ambulance or Medical Vans.

### 3.5 INTERIOR HEALTH

Interior Health was established as one of five geographically-based health authorities in 2001 by the Government of British Columbia. It is responsible for ensuring publicly-funded health services are provided to more than 742,000 residents of the Southern Interior.

Serving a large geographic area of approximately 216,000 square kilometres, the Authority's service area includes larger cities such as Kamloops, Kelowna, Cranbrook, Trail, Penticton and Vernon, as well as a multitude of rural and remote communities totaling 58 municipalities, 95 unincorporated areas, 55 First Nations communities and seven regional hospital districts.

Currently, the Authority operates 16 community hospitals, four service area hospitals, and two tertiary referral hospitals. It has 6,584 residential care and assisted living beds (as of 2014) and provides services for acute care, health promotion and prevention, community care, residential care, mental health, substance misuse, public health and more.



All health care services will continue to be funded by the Province and delivered by the Authority. The Authority maintains control and decision-making over services and owns the land and facilities over the life of the agreement.

Additional information about Interior Health is available at: [www.interiorhealth.ca](http://www.interiorhealth.ca)

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.partnershipsbc.ca](http://www.partnershipsbc.ca).

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

- Boughton Law Corp. (COI Adjudicator);
- John Singleton, Q.C., Singleton Urquhart LLP (Fairness Advisor);
- PricewaterhouseCoopers (Business Advisor);
- SSA Quantity Surveyors Ltd. (Quantity Surveyor);
- Fasken Martineau DuMoulin LLP (Legal Advisor);
- IBI Group Inc. and sub-consultants (owner's compliance team) including;
  - WSP Group (including FOCUS Engineering);
  - Golder and Associates;
  - CWMM Consulting Engineers Ltd.;
  - Gage-Babcock Associates Ltd.; and
  - Daniel Lyzun and Associates (DL&A) Ltd.

## 3.6 LEGISLATIVE AND POLICY REQUIREMENTS

### 3.6.1 Wood First

As contemplated by the Wood First Act (British Columbia), the successful Proponent will be required to use wood in the Penticton Regional Hospital Patient Care Tower, consistent with that legislation.

### 3.6.2 LEED®

The successful Proponent will be required to build the Penticton Regional Hospital Patient Care Tower to achieve LEED® Gold certification or equivalent.

### 3.7 WORK COMPLETED TO DATE

The Authority has undertaken initial operational systems design work to describe how services will be delivered within, and to, the Penticton Regional Hospital Patient Care Tower. This work covers both clinical service delivery and delivery of support services (e.g., the materials management methodology for maintenance of supply stocks).

Building on that work, functional programmers were engaged to develop a comprehensive Functional Program for the Penticton Regional Hospital Patient Care Tower. This involved both the review and refresh of programs that had previously been developed for certain components, as well as the creation of new programs for other components.

The Authority's design architects have developed an Indicative Design for the Penticton Regional Hospital Patient Care Tower. This Indicative Design will serve several purposes, including testing the Functional Program to ensure that it fits within the available space; providing input to a quantity survey estimate to confirm affordability; and supporting the refinement of key departmental adjacencies and work flows. The Indicative Design is not intended to restrict Proponents in their design of the Penticton Regional Hospital Patient Care Tower. Indeed, the Authority is particularly interested in opportunities to drive the most efficient and effective work flows possible in the Facility, with a view to maximizing the efficiency of clinical and non-clinical service delivery, and wishes to permit and encourage innovative design solutions from Proponents that offer benefits to the Authority.

### 3.8 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
<b>Elements to be delivered by Project Co:</b>	
Design and Construction	Design, construct and commission the Patient Care Tower and parkade including: <ul style="list-style-type: none"> <li>▪ Obtain all final building and development permits;</li> <li>▪ Design, construct and commission all space;</li> <li>▪ Provision, maintenance, repair and, as appropriate, upgrading of all fixed equipment;</li> <li>▪ Provision, maintenance, repair as appropriate, and upgrading of fibre optic backbone or wireless media, including all cabling and power points, for the information management and technology systems;</li> <li>▪ Management of the design development process; and</li> </ul>

Project Element	Description
	<ul style="list-style-type: none"> <li>▪ LEED® Gold certification or equivalent.</li> </ul>
Utilities	<p>With the exception of the main electrical feed which will come from the PRH campus, it is intended that the Patient Care Tower will be a stand-alone Facility from a utilities perspective.</p>
Facilities Management Services	<p>The Project Company's scope of responsibility will include the facility maintenance for the new Patient Care Tower and the existing campus. The transition of services for the existing campus is anticipated to take place within the first year of the agreement. The successful Proponent will be responsible for the provision, maintenance and repair, and as appropriate, replacing and upgrading, of all physical plant, mechanical systems, electrical systems, building structure, fixed equipment, building finishes and fixed furnishings required to maintain the Facility in a condition fit for its intended uses. The successful Proponent will be responsible for grounds maintenance, snow removal and rolling stock (e.g., portable lifts, wheelchairs, carts).</p>
Equipment	<p>The successful Proponent will be responsible for the procurement, delivery, installation and commissioning of selected hospital equipment for the Project. Project Co may have the responsibility for maintenance and life cycle of certain equipment. This equipment will be specified at the RFP stage.</p>
Finance	<p>It is anticipated that the Authority will make progress/milestone 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 40% of Project capital costs). Project Co will be required to provide debt and equity financing for the remaining amount.</p>
Hand-back	<p>Undertake all the necessary tasks to ensure that the Facility and Site are returned to the Authority in a fully rehabilitated condition in accordance with the contractual requirements of the Project Agreement at the end of term.</p>
<b>Elements to be delivered, managed or owned by the Authority:</b>	
Facilities	<p>The Authority will own the Site and all buildings and other improvements on the Site, subject to any licence or other rights to be granted to the partner or third parties. The site is appropriately zoned for the Project. The Authority will contract separately for construction of the Phase 2 elements.</p>
Facilities Maintenance	<p>The Authority will provide ongoing delivery of soft facility maintenance functions and activities.</p>
Clinical Services	<p>The Authority will provide all clinical services delivered on the Site.</p>
Equipment	<p>The Authority will procure, maintain and provide life cycle services to hospital equipment except as identified in the Project Agreement.</p>

### 3.9 COMPENSATION OF THE PARTNER

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**”).

The accompanying RFQ is being issued by the Authority for the purpose of inviting interested parties to submit Responses to the RFQ indicating their interest in, and qualifications for, the Project. Based on these Responses, the Authority intends to select, in accordance with the terms of the RFQ, a shortlist of up to three Proponents to be invited to participate in the next stage of the competitive selection process, the RFP stage.

The Authority wishes to enter into a contract for the Project that will permit the Authority to achieve its corporate objective to provide safe, effective and efficient health care services in Penticton.

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"> <li>▪ Identify and select Respondents who will be invited to respond to the RFP.</li> <li>▪ The RFQ sets out the information requested from Respondents, and the evaluation criteria that will be used to evaluate responses.</li> <li>▪ 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.</li> </ul>
Request for Proposals	<ul style="list-style-type: none"> <li>▪ Proponents will be invited to submit proposals based on the performance specifications, the Final Draft Project Agreement, and requirements included in the RFP.</li> <li>▪ The RFP will detail the business opportunity that Proponents are invited to submit proposals to.</li> <li>▪ It is anticipated that the RFP will include a mandatory financial affordability threshold, and it is anticipated that proposals that exceed this threshold will be disqualified.</li> </ul>
Collaborative Discussion Process	<ul style="list-style-type: none"> <li>▪ The Authority expects the RFP process to include a series of collaborative meetings with each Proponent.</li> <li>▪ The purpose of such meetings is to aid Proponents in submitting quality proposals that effectively address the needs of the Authority.</li> <li>▪ Meetings will typically include three topic areas: Clinical/Design, Facility Management, and Commercial/Legal.</li> </ul>

Project Stage	Description
Project Agreement	<ul style="list-style-type: none"> <li>▪ The Initial Draft Project Agreement will be included with the RFP.</li> <li>▪ Proponents will be invited to provide comments on the agreement and the Authority will respond to these comments while the RFP is open.</li> <li>▪ Prior to the close of the RFP, the Authority will issue a Final Draft Project Agreement to which Proponents will be expected to provide a proposal.</li> </ul>

#### 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 competitive selection process, the project team will prepare 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 (FOIPPA).

#### 4.2 PARTIAL COMPENSATION

The Authority will not pay any partial compensation during the RFQ stage. The Authority intends to offer partial compensation in the amount of \$300,000 to each unsuccessful Proponent in accordance with the terms of 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	Estimated Date
RFQ issue date	September 17, 2014
Introductory Project Meeting	October 6, 2014
RFQ Submission Time	November 6, 2014
Announce Shortlisted Respondents	January 2015
Issue RFP and Initial Draft Project Agreement to Proponents	January 2015
Collaborative Meetings	February 2015 – May 2015
Business to Business Meeting	February 2015
Issue Final Draft Project Agreement	May 2015
Submission Time for Technical Submissions	July 2015
Submission Time for Financial Submissions	September 2015
Selection of Preferred Proponent	October 2015
Financial Close	February 2016
Construction commences (Phase 1)	February 2016
Commence Facility Maintenance for the Existing Campus	July 2016
Substantial Completion (Phase 1)	March 2019