



**Interior Health**

**Project Brief**

**Vernon Jubilee Hospital Inpatient Beds  
Expansion Project**

March 5, 2013

## TABLE OF CONTENTS

<b>1</b>	<b>INTRODUCTION .....</b>	<b>2</b>
1.1	Purpose of this Project Brief .....	2
<b>2</b>	<b>THE BUSINESS OPPORTUNITY .....</b>	<b>2</b>
<b>3</b>	<b>THE PROJECT .....</b>	<b>3</b>
3.1	Background to the Project .....	3
3.2	Project Objectives .....	4
3.3	Project Site .....	4
3.4	Interior Health Authority.....	6
3.5	Work Completed To Date.....	7
3.6	Project Elements.....	8
3.7	Compensation of the Design-Builder .....	8
<b>4</b>	<b>THE COMPETITIVE SELECTION PROCESS.....</b>	<b>9</b>
4.1	Transparency of the Competitive Selection Process .....	10
4.2	Partial Compensation.....	10
<b>5</b>	<b>PROJECT SCHEDULE.....</b>	<b>10</b>

## 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 Vernon Jubilee Hospital Inpatient Beds Project (“the **Project**”), the business opportunity, the Interior Health 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 Design-Build Agreement, or to in any way define or describe any party’s rights with respect to the Project.**

## 2 THE BUSINESS OPPORTUNITY

The Interior Health Authority is seeking a qualified entity (“**Design-Builder**”) to enter into a contract (the “**Design-Build Agreement**”) with Infusion Health KVH General Partnership (“**Infusion**”) to design and build the fit-out of the sixth and seventh floors of the Polson Tower to expand the existing inpatient beds at the Vernon Jubilee Hospital in Vernon, B.C.

The Design-Builder will be procured using a Design-Build (“**DB**”) model to make best use of taxpayer’s 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.

The Project’s capital cost is in the range of \$20 - \$25 million;

Features of this business opportunity include:

- (a) The design, construction and fit-out of two 30 bed Inpatient Units in the roughed-in shelled space on the sixth and seventh floors of the Polson Tower;
- (b) Appropriate risk sharing and compensation;
- (c) The opportunity to address a critical infrastructure need for the Authority;
- (d) Strong government and public support for the Project; and
- (e) 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 Design-Build Agreement such as appropriate risk allocations.

## 3 THE PROJECT

### 3.1 BACKGROUND TO THE PROJECT

In 2008 the Authority entered into a Design-Build Finance Maintain (“**DBFM**”) project agreement with Infusion. The project agreement expires in 2042 and covers projects in both Kelowna and Vernon, including the Polson Tower, where this Project is to be constructed.

Infusion is a single-purpose entity formed to deliver the Kelowna Vernon Hospitals Project (the “**KVH Project**”) including the design, construction, financing and maintenance of the facilities until 2042. The maintenance component includes plant services and life cycle rehabilitation on the new buildings within the KVH Project (the Polson Tower in Vernon, and the Centennial Building, Clinical Academic Building and Parkade in Kelowna). Through its subcontractor, Black and MacDonald, Infusion also provides maintenance for the remainder of the Kelowna General Hospital (“**KGH**”) and Vernon Jubilee Hospital (“**VJH**”) campuses.

The Project will be located on the sixth and seventh floors of the Polson Tower, a seven storey structure built as part of the KVH Project in 2008. The two floors combined are an estimated 4,478 square metres, and were designed to house 30 inpatient units per floor. To accommodate this and allow for integration of services throughout the building, there are some connections to the Polson Tower infrastructure and/or building systems required. Infusion currently has all maintenance and life cycle rehabilitation responsibility for the building envelope and all shelled-in space in the Polson Tower.

With the completion of the new Polson Tower, VJH is uniquely positioned to provide increased inpatient bed capacity and meet the growing demand for high-level hospital care and services in the community.

The Authority is planning the proposed Project to include:

- Fit-out of floors six and seven, including:
  - 30 bed inpatient unit on each floor

#### **Design-Builder/Infusion Relationship**

The procurement process will be run by the Authority and Partnerships BC, however, upon contract award, the Preferred Proponent will enter into the Design-Build Agreement with Infusion for delivery of the Project.

As Infusion is currently contracted to the Authority through the KVH Project on this site, they will be involved throughout the Competitive Selection Process. Their involvement will include, but is not limited to the following:

- (a) Assistance in development of specifications
- (b) Participation in Collaborative Meetings

(c) Participation in evaluations

Once the Final Design-Build Agreement is executed between the Design-Builder and Infusion, Infusion will be responsible for ongoing project management under the terms of the existing KVH Project and the change certificate negotiated between Infusion and the Authority.

### 3.2 PROJECT OBJECTIVES

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

- (a) Increase inpatient bed capacity;
- (b) Provide appropriate bedroom configuration for inpatient units;
- (c) Reduce infection control risks;
- (d) Provide greater flexibility in operation;
- (e) Improve patient care experience;
- (f) Provide appropriate learning space for students;
- (g) Work effectively with the onsite team;
- (h) Cause no disruptions to services, interruptions to health care or negatively impact the ongoing operations of the hospital; and
- (i) Minimize the impact of construction on hospital operations including dust control, worker traffic, noise, vibration etc.

### 3.3 PROJECT SITE

The Project site is located on the sixth and seventh floors of the Polson Tower on the VJH campus located in downtown Vernon, B.C. as indicated on the site plan below.



### 3.3.1 Site Considerations

The Polson Tower is an existing operating hospital and all efforts must be made to ensure the Project does not negatively impact the on-going operations of the hospital. Care and attention must be made to cause no disruptions to services or health care and to minimize the impact of construction on hospital operations including dust control, worker traffic, noise, vibration etc.

### 3.3.2 Zoning Considerations

The Project will be built in the existing Polson Tower on the VJH campus therefore no additional zoning is required.

### 3.4 INTERIOR HEALTH AUTHORITY

The Interior Health Authority (the “**Authority**”) 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 Kelowna, Kamloops, Cranbrook, Trail, Penticton and Vernon, as well as a multitude of rural and remote communities totalling 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, two tertiary referral hospitals and has 6,275 residential care and assisted living beds (as of October 2012) and provides services for acute care, health promotion and prevention, community care, residential care, mental health, substance misuse, public health and more.

The Authority is the owner of the Project.

Additional information about Interior Health Authority 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:

- Douglas Hopkins, Boughton Law Corp. (COI Adjudicator);
- Black & McDonald (existing site FM Provider);
- John Laing Infrastructure (Existing DBFM Equity Provider);
- Bilfinger Project Investments (Existing DBFM Equity Provider);
- Fasken Martineau DuMoulin LLP (Legal Advisor);
- Cannon Design and sub-consultants (owner’s compliance team) including;
  - Genivar; and
  - HH Angus & Associates Ltd.

### 3.5 WORK COMPLETED TO DATE

#### 3.5.1 Approval

The Project has been approved to proceed to procurement by the Province of British Columbia and was announced on February 7, 2013. Further Authority and Province approvals are expected to be required prior to issuance of the RFP and Contract Award.

#### 3.5.2 Project Scope

The project involves two major scope components within the existing Polson Tower on the VJH campus. These scope components are described in the table below.

Scope Component	Scope Component Description
Inpatient Unit – Level 6 (Polson Tower)	30 Bed Inpatient Unit requires fit-out, equipment and installation (currently shelled space including rough-ins).
Inpatient Unit – Level 7 (Polson Tower)	30 Bed Inpatient Unit requires fit-out, equipment and installation (currently shelled space including rough-ins).

#### 3.5.3 Programming

The Authority has engaged a Compliance Team and is in the process of completing its programming, indicative design and drafting of performance specifications (the “**Statement of Requirements**”).

#### 3.5.4 Fairness Advisor

The Authority is currently in the process of selecting a Fairness Advisor. The Fairness Advisor will monitor the Competitive Selection Process. The Fairness Advisor will act as an independent observer of the fairness of the implementation of the Competitive Selection Process, up to the selection of a Preferred Proponent. The Fairness Advisor will provide a written report to the Authority that the Authority will make public.

### 3.6 PROJECT ELEMENTS

Table 1 identifies and describes the elements of the Project that will be delivered by the Design-Builder.

**Table 1. Project Elements**

Project Element	Description
<b>Elements to be delivered by Design-Builder:</b>	
Design and Construction	Design, construct and commission the Facility 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 of fixed equipment; and</li> <li>▪ Management of the design development process</li> </ul>
Design-Builder Security	<ul style="list-style-type: none"> <li>▪ <b>Warranty:</b> The Authority anticipates requiring the Design-Builder to provide a two year warranty for the Project, with a 10 year latent defect period.</li> <li>▪ <b>Security for Obligations:</b> The Authority anticipates that the Design-Builder will provide certain security for its obligations, which should include performance and labour and materials bonds, letters of credit and parent company guarantees. Security will be required to address the risk related to Infusion’s availability payments and deductions associated with the New Facility over the warranty period, adjusted to be commensurate with the scope and value of the Design-Build Agreement.</li> </ul>

### 3.7 COMPENSATION OF THE DESIGN-BUILDER

Infusion will pay progress payments to the Design-Builder over the construction period as defined in the Design-Build Agreement.

## 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.

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 Design-Build 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> </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 topic areas such as: Clinical/Design, Construction, and Commercial/Legal.</li> </ul>
Design-Build Agreement	<ul style="list-style-type: none"> <li>▪ The Initial Draft Design-Build 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 Design-Build 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.

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 \$50,000 to unsuccessful Proponents 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	Timeline
RFQ issue date	March 5, 2013
Introductory Project Meeting	Week of March 18
RFQ Submission Time: 2:00 PM Pacific Time	April 23, 2013
Respondent interviews/presentations (optional)	Week of May 13, 2013
Announce Shortlisted Respondents	June 20, 2013
Issue RFP and Initial Draft Design-Build Agreement to Proponents	July 4, 2013
Collaborative Meetings	July, August, September 2013
Issue Final Draft Design-Build Agreement	October 2013
Submission Time for Technical Submissions	October 2013
Submission Time for Financial Submissions	November 2013
Selection of Preferred Proponent	December 2013
Contract Award	Fall (December) 2013
Construction Commences	Fall (December) 2013
Substantial Completion	Summer 2015