

June 28, 2004

VCH negotiates with preferred proponent for Academic Ambulatory Care Centre

VANCOUVER, BC – Vancouver Coastal Health (VCH) is completing negotiations with a preferred proponent to design, construct and maintain a new health-focused facility at Vancouver General Hospital (VGH).

The Academic Ambulatory Care Centre (AACC) will coordinate VGH's ambulatory patient care services – including specialty clinics, along with medical education, physician teaching clinics and research – at one site. The AACC will benefit an estimated 600,000 patients annually and support several hundred medical students and approximately 500 medical and allied professionals. It will provide centralized office space for medical disciplines and, in doing so, enhance patient care, access and scheduling by allowing easier coordination of multiple specialist visits, clinic visits and diagnostic testing for patients at one location.

The AACC will be built at the VGH site on the corner of Oak Street and West 12th Avenue. As part of the preferred proponent selection process, VCH is completing negotiations with Access Health Vancouver (AHV), a consortium of companies with expertise in health facility building, design, finance, and property management. Excavation will take place in the fall of 2004 with construction to be completed in summer 2006.

“We’re very close to reaching a project agreement with Access Health Vancouver, which will be the start of an exciting partnership,” says Janet Woodruff, Chief Financial Officer, VCH. “It is our vision that the AACC will provide much-needed space and a more integrated health education and research facility. We look forward to working with our partners at the University of British Columbia to make this a leading academic centre.”

As part of the selection, VCH had engaged in an extensive competition process that included a comprehensive evaluation of short-listed proposals to determine technical, financial and operational competency, a fairness audit, and an independent financial peer review. This process identified the preferred proponent with whom we are currently completing negotiations.

The Vancouver Coastal Health Authority is responsible for the delivery of \$1.9 billion in acute, residential and community care to over one million people in communities from Richmond through Vancouver, the North Shore, Sunshine Coast, Sea to Sky area, Powell River, Bella Bella and Bella Coola.

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Backgrounder attached

NEWS RELEASE

Backgrounder

The Academic Ambulatory Care Centre (AACC)

- VCH announced in October 2002 that it would seek a private partner to construct a new Academic Ambulatory Care Centre (AACC) on the corner of Oak Street and West 12th Avenue at VGH.
- Since that time, VCH has engaged in an extensive competition process that included a comprehensive evaluation of short-listed proposals to determine technical, financial and operational competency, a fairness audit, and an independent financial peer review undertaken by Ernst & Young.
- VCH is completing negotiations with preferred proponent Access Health Vancouver (AHV), a team of companies with considerable expertise in health facility building, design, finance, and facility management of projects in BC, Canada and internationally.
- VCH issued a request for expressions of interest (RFEI) in October 2002 and had nine consortia respond, which led to a short-list of two proponents.
- A request for proposals (RFP) was issued by VCH to two proponents in June 2003 – the proponents had approximately four months to respond.
- As part of the RFP process, the preferred proponent was required to address the following principles:
 - design and construct the health-focused facility to an agreed upon standard for a 50-year life building
 - finance the capital cost of the facility over the term of the project
 - manage and operate the facility with respect to housekeeping, security, grounds-keeping and leasing of any space not used by VCH
 - maintain the facility to an agreed upon performance-based standard over the term
 - allow VCH to lease its portion of the building and then assume full ownership of the building, at no additional cost
- AHV was selected from the RFP process because it demonstrated it could deliver value for money, best practices in innovative design and construction financing, facility management and had world-wide experience in public private partnership projects.
- By working with a private partner, VCH will be able to move forward with a valuable capital project in a manner that gains innovation and reduces government risk and taxpayer obligations over the life of the project.
- VCH will retain responsibility for delivery of all health care services at the new AACC, and gain access to much needed medical office, clinical and teaching space. The proponent will provide financing and focus on building construction, facility management and maintenance.

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- Based upon its nomination as the preferred proponent, AHV has elected to commence the development permit process to ensure that – in the event the agreement is successfully concluded – the project team can begin excavation of the site in the fall.
- The VGH site redevelopment plan was approved by the City of Vancouver in 2001 as part of a public hearing process.
- A public-private partnership, or P3, is a contractual agreement made between government and a private party or parties that provides value for money to taxpayers and allows for the development of assets or delivery of services that are traditionally provided by the public sector funds.

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