

REQUEST FOR PROPOSALS
for
BC Cancer Agency Centre for the North Project

VOLUME 1

Executive Summary

Closing Times:

Technical Proposal: July 24, 2009 at 1:00 p.m. (local time in Vancouver)

Financial Proposal: August 14, 2009 at 1:00 p.m. (local time in Vancouver)

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EXECUTIVE SUMMARY

A. Overview

(i) Purpose of Executive Summary

This Volume 1 of the RFP (the “**Executive Summary**”) is intended as a quick-reference summary and overview to the RFP, including the Project Agreement. This Executive Summary includes background information to the RFP and the Authority’s objectives for the Project.

This Executive Summary is provided for convenience. It is intentionally not complete and only refers to issues that the Authority believes might be helpful to persons who want a quick-reference view of the RFP, the Project and the Project Agreement. Proponents should ensure they read the entire RFP.

If any provision of this Executive Summary conflicts with a provision of Volumes 2, 3 or 4 of the RFP, the relevant provision in the other Volume prevails. This Executive Summary is not intended to define any of the parties’ obligations, and will not be referred to in the interpretation of any party’s rights or obligations under the RFP.

(ii) Definitions

Capitalized terms not defined in this Executive Summary have the definitions given in Volume 2.

(iii) Structure of the RFP

The RFP is structured as set out below, and for convenience has been published in four Volumes:

Volume 1	Executive Summary (of the RFP and the Project Agreement)
Volume 2	RFP (Instructions and Terms and Conditions) - Appendix A – Proposal Requirements, Pricing Schedules and Evaluation Criteria - Appendix B – Proposal Declaration Form - Appendix C – Relationship Disclosure Form - Appendix D – Proponent Comment Form - Appendix E – Participation Agreement - Appendix F – Commitment Letter Template - Appendix G – Form of Letter of Credit - Appendix H – Construction Insurance Underwriting Questionnaire
Volume 3	Draft Project Agreement, except Schedule 3 (Design and Construction Specifications)
Volume 4	Schedule 3 (Design and Construction Specifications) of Draft Project Agreement

(iv) Procurement

As of the date of issuance of the RFP:

- (a) The RFQ phase of the Competitive Selection Process is complete and a short-list of the three Proponents has been selected to participate in the RFP; and
- (b) The three short-listed Proponents are eligible to participate in the RFP.

(v) Anticipated Project Schedule

The following is the Authority's estimated timeline for Project:

Activity	Timeline
Issue RFP and Initial Draft Project Agreement to Short-Listed Proponents	March 2009
Collaborative Discussions between Proponents and Authority	April - June 2009
Issue Final Draft Project Agreement	June 2009
Closing Date for Proposals	July 24, 2009 (Technical) August 14, 2009 (Financial)
Selection of Preferred Proponent	October 2009
Financial Close	January 2010
Construction commences	January 2010
Construction completed	2012

The above estimated timeline is subject to change at the sole discretion of the Authority.

(vi) Partial Compensation

The Authority will pay to a Proponent that is not awarded the Project Agreement an amount equal to the lesser of (i) \$250,000 (inclusive of any GST payable) or (ii) the substantiated out of pocket costs reasonably incurred by the Proponent in the preparation of a Proposal. See Volume 2 and the Participation Agreement for any conditions on the entitlement to the payment.

(vii) Transparency of the Competitive Selection Process

At the completion of the Competitive Selection Process, including after the Project Agreement is entered into, the Authority's project team will prepare a Project Report that describes the outcome of the Competitive Selection Process and identifies the value for money achieved through the public private partnership. In addition, the final Project Agreement will be made public, subject to the severing of information that is commercially confidential and that would be withheld under the applicable FOIPPA requirements. Project Co will be consulted on appropriate severing prior to the release of the final Project Agreement. The Fairness Advisor will issue an unbiased report giving an opinion on the Competitive Selection Process. The Project Report and the Fairness Advisor's reports will be made public.

B. SUMMARY AND BACKGROUND TO PROJECT

(i) Background to the Project

The BC Cancer Agency (BCCA) currently operates regional cancer centres in Kelowna, Victoria, Surrey and Vancouver and the new BC Cancer Agency Abbotsford Centre. The centres in Kelowna, Victoria and Surrey function on the sites of major regional hospitals that provide diagnostic, non-clinical support and inpatient and limited operating room services. A similar model is envisaged for the Centre for the North in Prince George.

The Centre for the North will access inpatient beds, diagnostic and facility support services from the Prince George Regional Hospital. The Centre for the North will primarily be an outpatient facility operating five days per week (Monday to Friday).

It is also anticipated that the Centre for the North will act as the hub for medical oncology practice in the North. Patients will travel from communities throughout the North to Prince George for their medical oncology consultation or they will be assessed by medical oncologists in Prince George by telemedicine links to their nearest community cancer clinic. Medical oncologists from Prince George are also expected to provide outreach clinic visits to these communities. Patients are likely to have their chemotherapy treatment, closer to home, in a recognized community cancer clinic which is part of the Communities Oncology Network, unless they require concomitant chemo-radiotherapy in Prince George or sub-specialized care in Vancouver.

The following reasons support the need for a new regional cancer centre in the North:

- The need to improve patient access to specialized cancer care for all communities across the North by offering treatment capacity for radiation and systemic therapy (e.g. linear accelerators, chemotherapy chairs, ambulatory care unit exam rooms, etc.) closer to home and on-site seamless integration with cancer control services including: diagnostic imaging, laboratory, surgery, patient and family counselling, nutrition, palliative care and end of life care.
- Enhancing and establishing a team of specialized experts through the recruitment and retention of oncologists, medical physicists, oncology nursing, pharmacists, etc. for the region.
- Increasing access to patient and professional staff education, academics and research capacity across a multidisciplinary team of experts in the centre and throughout the communities.
- In partnership with Northern Health (NH) and the communities, enhance existing networks and common services which include: prevention, screening and early detection, family practice oncology network, consultative clinics, psychosocial network, palliative care network, communities oncology, cancer registry, surveillance and outcomes, clinical practice guidelines, etc.

The Authority is seeking a long-term partner in Project Co to design, build, finance and maintain the Facility for a period of 30 years. The Authority expects that Project Co will provide these integrated services, share certain responsibilities and accept defined risks as set out in the Project Agreement.

(ii) Provincial Services Health Authority

There are five regional health authorities and one provincial health authority in British Columbia (B.C.), which are the main organizations responsible for local health service delivery in the province. The Provincial Health Services Authority (PHSA) is one of six B.C. health authorities established in December 2001. PHSA plans, manages and evaluates specialty and province-wide health care services across B.C. It works in collaboration with the Ministry of Health Services and the regional health authorities to improve the health of the population through system-wide improvements. PHSA provides a key strategic

and organizational framework that advances the delivery of high quality and efficient health services, and supports the research and education missions of the PHSA agencies and programs.

PHSA is responsible for managing the quality, coordination, accessibility and cost of selected province-wide health-care programs and services. This includes selected services provided in facilities governed by other health authorities, as well as those programs and services provided through the following provincial agencies: BC Cancer Agency (BCCA), BC Centre for Disease Control, BC Children's Hospital and Sunny Hill Health Centre for Children, BC Provincial Renal Agency, BC Transplant Society, BC Women's Hospital & Health Centre, Cardiac Services BC, Forensic Psychiatric Services Commission and Riverview Hospital.

BCCA provides a province-wide, population-based cancer control program for the residents of British Columbia and the Yukon. The BCCA's mandate covers the spectrum of cancer care from prevention and screening, to diagnosis, treatment and through to rehabilitation. The BCCA's mandate is driven by a three-fold mission:

1. To reduce the incidence of cancer;
2. To reduce the mortality rate of people with cancer; and
3. To improve the quality of life of people living with cancer.

This mission drives everything BCCA does, including providing screening, diagnosis and care, setting treatment standards, and conducting research into causes of, and cures for, cancer.

Northern Health is a partner in the implementation of the Northern Cancer Control Strategy. NH covers the northern two-thirds of British Columbia and is responsible for the delivery of health care across Northern B.C. The delivery of health care services includes everything from acute care to mental health, public health to home and community care services. Over 300,000 people live within the NH boundaries (seven per cent of the population of B.C.), and this is expected to increase to 348,000 by 2010. The health outcomes of the population in Northern BC are significantly different if compared to the health outcomes of the population throughout the rest of BC.

NH currently provides a component of prevention programs for cancer, diagnosis and surgery for cancer, and, in partnership with the BCCA, delivers most of the systemic (drug) therapy for cancer in the North. Acute care for complications of cancer or its treatment and palliative services are delivered by NH.

C. VISION, OBJECTIVES AND GUIDING PRINCIPLES

The Authority has developed a vision, goal and guiding principles for the Project. Refer to Volume 2 and Appendix A, including the Evaluation Criteria, for specific information regarding the evaluation of Proposals and the selection of the Preferred Proponent.

(i) Vision

The vision for the Northern Cancer Control Strategy is to create an innovative environment that inspires caring and the pursuit of knowledge and excellence.

(ii) Goal

The goal for the Northern Cancer Control Strategy is to develop and maintain a healing and aesthetically pleasing environment that is designed for a Northern context and is responsive to diversity.

(iii) Guiding Principles and Project Objectives

The guiding principles were developed by PHS/BCCA/NH to provide guidance in the procurement and development of the Northern Cancer Control Strategy and in determining project priorities.

The best patient care requires attention to both 'tangible' factors – the best care through application of current knowledge through evidence-based practice, and "intangible" factors that contribute to a healing environment, such as family involvement in patient treatment and the integration of amenities, including green space and quiet areas, in health care facilities. The following vision and guiding principles for the Project (the "Project Vision and Guiding Principles") developed by the Health Authorities for the Centre for the North incorporate these and other factors.

- Attain or exceed cancer control outcomes achievable through best practice within BC;
- Build and promote partnerships that improve effectiveness and efficiency;
- Develop and apply integrated resources designed for a Northern context to enable:
 - Seamless and sustainable care and support for patients and families;
 - Effective exchange of information;
 - Sharing of technology and services; and
 - The ongoing learning and the development of new knowledge.
- Design care processes appropriate to a Northern context that optimize patient, client and family satisfaction;
- Foster a safe, comfortable and productive work environment that promotes provider recruitment, retention and satisfaction;
- Use technologies as a tool to improve access across a large geographic region, cost effectiveness, integration of services, and health outcomes;
- Maintain the individual identities of each of the Health Authorities while seeking opportunities to collaborate, share resources and provide seamless services;
- Maximize cost effectiveness and the use of available resources;
- Create a flexible and adaptable design to accommodate future structures, processes, care delivery systems and technological needs;
- Minimize impact on the natural and physical environment;
- Seek to understand and incorporate the needs of aboriginal people in the design of the Centre for the North; and
- Maintain alignment with the vision and mission of each of the partnered Health Authorities.

The project objectives for the BCCA Centre for the North Project are:

- Support the BCCA initiatives in Northern B.C.;
- Create a centre which allows the delivery of quality cancer care in an efficient and effective manner;
- Create a centre which blends seamlessly into the existing campus; and
- Create a centre that reflects and complements the community.

Further detail on the project objectives can be found in Section 7.2 of the RFP (Volume 2).

D. OVERVIEW OF THE PROJECT AGREEMENT

(i) Summary of Key Terms

The Project Agreement will be the instrument that will describe the long-term rights and obligations of Project Co and the Authority with respect to the Facility.

The following table summarizes key elements of the Project Agreement:

PROJECT ELEMENT	DESCRIPTION
General	Project Co will design, construct, finance and provide selected Services for the Facility.
Financing	Project Co will procure the financial resources required to fund the delivery of the Project.
Payment	Monthly payments will commence at Service Commencement and will be linked to availability and performance as set out in Schedule 8 [Payments] to the Project Agreement.
Term	The term of the Agreement will be 30 years from the anticipated Service Commencement.
Lands	The Northern Health Authority will own the Site and BCCA will own the interest in the Facility by way of a lease for the duration of the Project Agreement. The Site will be made available to Project Co during the term of the Project Agreement by way of licence.
Design and Construction	Project Co will be responsible for all design, construction and commissioning for the entire Term, including: <ul style="list-style-type: none"> • Design, construct and commission all space; • Obtaining all building permits; • Management of the design development process; and • LEED® Gold Certification.
Services / Facility Management	Project Co will be responsible for select Services for the Term including: <ul style="list-style-type: none"> • Plant Services <ul style="list-style-type: none"> ○ Provision, maintenance, repair and, as appropriate,

PROJECT ELEMENT	DESCRIPTION
	<p>upgrading of all building equipment;</p> <ul style="list-style-type: none"> • Help Desk Services • Utility Management Services
Maintenance and Handback	Project Co will maintain and return the Facility to the Authority in the specified condition at the end of the Term.
Health care and Ancillary Activities	All health care and ancillary activities will be performed by the Authority.
City Process	Project Co is responsible to design the Facility to comply with the requirements of the City of Prince George.
Insurance	<p>During the Construction Period:</p> <ul style="list-style-type: none"> • The Authority will procure: <ul style="list-style-type: none"> ○ Construction Comprehensive General Liability (CGL) Policy on a wrap-up basis; and ○ All Risks Construction Property Policy, including specified delay in start-up coverage. • Project Co will procure: <ul style="list-style-type: none"> ○ Automobile liability insurance; ○ Ocean marine cargo insurance; ○ All risks insurance of construction equipment; and ○ Workers' compensation insurance. <p>During the Operating Period:</p> <ul style="list-style-type: none"> • The Authority will procure through the Provincial Health Care Protection Program: <ul style="list-style-type: none"> ○ CGL insurance covering Project Co and its first level of facility maintenance Service Provider (but not any other subcontractors); ○ All risks property insurance; ○ Boiler and machinery insurance; and ○ Specified business interruption insurance. • Project Co will procure: <ul style="list-style-type: none"> ○ Workers' compensation insurance; and ○ If the Authority gives the specified notice, then Project Co will procure the above Operating Period insurance instead of the Authority.

(ii) Equipment

The Authority has categorized the equipment for the Facility. Most of the clinical equipment will be provided by the Authority and some by Project Co, as described in Schedule 2 [Design and Construction Protocols].

(iii) Design and Construction

The Project Agreement provides:

- (a) **Design Responsibility** - Project Co will be responsible for the design of the Facility and for compliance with the requirements of the City of Prince George.
- (b) **Site Preparation** - The Facility will be constructed on the PGRH site. The successful Proponent will be responsible for ensuring that all site preparation and staging requirements are met to deliver the Facility as defined under the Project Agreement, including access to all necessary utilities.
- (c) **Facility Management Services** - Project Co 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 the intended use. Except for clinical equipment that may be included in the successful Proponent's responsibilities, BCCA will be responsible for all clinical equipment and clinical operations. NH will provide housekeeping, grounds maintenance, snow removal and all other "soft services" to a standard agreeable to the partner to ensure and maintain the partner's accountability for the physical infrastructure.
- (d) **Parking** - Construction of the Facility will affect existing parking capacity at PGRH (since the Facility is planned to be located over an existing staff parking area) as well as create additional parking demands on the PGRH campus. Accordingly, the Authority is seeking proposals for both a temporary parking solution (during construction) and a permanent parking solution (post-construction).
- (e) **Human Resource Issues** - Potential impact on the Authority staff as a result of the proposed inclusion of any services as a component of the Project will be managed by the Authority. This will be done in a manner that is consistent with the applicable collective agreement provisions and with applicable legislation of the Province of British Columbia.

E. AFFORDABILITY

(i) Affordability Ceiling

The Authority has identified and calculated a mandatory Affordability Ceiling for the Project. The Affordability Ceiling, expressed in Canadian dollars and inclusive of allowable escalation and all taxes except GST, is \$72.241 million as a net present cost, as of the Base Date of February 1, 2010. Refer to Volume 2 for more information regarding the Affordability Ceiling.

F. SUMMARY OF PAYMENT ISSUES

(i) Payment to Project Co

The Authority will make monthly Service Payments to Project Co during the Term as full payment for all services provided by Project Co under the Project Agreement commencing when Service Commencement is achieved.

(ii) Service Payment Adjustments

Service Payments are to be subject to adjustment in accordance with:

- (a) Facility availability requirements;
- (b) Defined performance standards; and
- (c) Other adjustments.

The criteria and standards of performance are as set out in Schedule 4 [Services Protocols and Specifications] and Schedule 8 [Payments] of the Project Agreement.

(iii) Indexation

Proponents will be asked to propose a fixed proportion of the Service Payment to be indexed annually. Generally, only those elements of the Service Payment where Project Co's costs are subject to inflation during the Term will be Index Linked. The agreed proportion of the Service Payment will be Index Linked annually by the consumer price index as set out in the Project Agreement.

It is anticipated that the aspects of the Service Payment that would be subject to indexation will be the services costs, including:

- (a) Lifecycle costs; and
- (b) The part of the Service Payment relating to Project Co's management and direct operating costs.

(iv) Availability Deductions

Failure to meet the availability criteria will result in an Unavailability Event. Should Project Co rectify an Unavailability Event within the Rectification Period then no Deduction will be made from the Service Payment. Failure to rectify within the Rectification Period will result in an Unavailability Deduction.

Deductions for Unavailability Events will be Index Linked and are listed in Appendix 8A [Functional Units, Unit Deduction Amounts, Rectification Periods]. If a space in the Facility is Unavailable but the Authority continues to use it, the Deduction will be 50 per cent of the amount in Appendix 8A [Functional Units, Unit Deduction Amounts, Rectification Periods], Index Linked.

(v) Service Failure Deductions

Under the Project Agreement the performance standards are categorized into High, Medium and Low according to their level of importance to the Authority. Each category has a fixed Index Linked Service Failure Deduction applicable to each Service Failure.

The total deductions for unavailability and poor performance in any one month are capped at the amount of the Service Payment.

(vi) Energy

The RFP is designed to encourage competitive consideration of energy efficiency for the new Facility.

The Project Agreement includes provision for Design and Construction energy targets for energy efficiency. Please refer to Schedule 2 of the Project Agreement.

BC Hydro offers a Power Smart High Performance Building program that provides a range of financial incentives, tools and resources to help owners of new commercial and institutional buildings and their design teams to design and build high performance buildings. The Program offers financial incentives for design assistance, specifically for design charrettes and energy simulation modelling to assess design alternatives. Capital incentives are available to reduce incremental capital costs, if any, of the new energy efficient design, based on the total amount of electrical energy savings in the new design. Participating projects receive recognition from BC Hydro under the program. BC Hydro will make this program available to Project Co to assist in design development and detailed design on a voluntary basis. Direct capital incentives or funding for design assistance can be retained by Project Co, but BC Hydro and the Authority make no commitment to amounts, or if any subsidy may be available.

(vii) Payment Guarantee

The Project Agreement provides for a payment guarantee from the Provincial Government sufficient to support the Authority's payment obligations under the Project Agreement.

(viii) Tax Considerations

Each Proponent is responsible for obtaining and relying on tax advice from its own advisors and experts, including obtaining such of its own advance interpretations and rulings from the Canada Revenue Agency and the British Columbia Consumer Taxation Branch in relation to the Project (including in relation to the proposed structure and its tax consequences) as it considers appropriate or necessary.