



PROJECT BRIEF

Surrey Memorial Hospital Redevelopment and Expansion: Emergency Department and Critical Care Tower Project

Table of Contents

1.	<i>Introduction</i>	1
1.1	Purpose of this Project Brief	1
1.2	The Design Build Finance Maintain (DBFM) Approach	1
1.3	Purpose of the Request for Qualifications	1
1.4	Fraser Health Authority.....	2
1.5	Surrey Memorial Hospital	3
2.	<i>The Project</i>	4
2.1	Background to the Project.....	4
2.2	Project Vision.....	4
2.3	Physical Description of the Project	5
2.4	Site Issues	7
2.5	Traffic Issues.....	8
2.6	Zoning Issues.....	8
2.7	Design Work Completed To Date.....	9
2.8	Utilities	9
2.9	Facility Management Services	9
2.10	Equipment.....	10
2.11	Compensation of the Partner.....	10
3.	<i>The Partner Selection Process</i>	10
3.1	Request for Qualifications	10
3.2	Request for Proposals	10
3.3	Project Agreement.....	11
3.4	Collaborative Discussion Process.....	11
3.5	Government Approvals	11
4.	<i>General</i>	11
4.1	Transparency of the Selection Process	11
4.2	Partial Compensation (Honoraria)	12
4.3	Project Budget	12

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 Surrey Memorial Hospital Redevelopment and Expansion: Emergency Department and Critical Care Tower Project (the Project), the business opportunity, the Fraser Health Authority (the Authority) and the anticipated procurement process. **The Project Brief is not included as part of the Request for Qualifications (RFQ) or Request for Proposals (RFP) for the Project, 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.**

1.2 The Design Build Finance Maintain (DBFM) Approach

The DBFM approach is a partnership procurement model. In this model, the Authority will provide an indicative design and performance requirements, and invite competitive proposals to design, build, finance, and maintain the new facility. This model requires proponents to consider long-term maintenance requirements and provides a financial structure that aligns the incentives of the selected partner and the Authority.

In the DBFM the private partner will be responsible for:

- financing the capital costs of the Project (which will be partially covered by payments from the Authority during construction) as well as all other costs of the Project over the Project term;
- Designing, constructing and commissioning of the facility;
- Providing hard facilities maintenance and rehabilitation services for the facility over the Project term; and
- At the end of the Project term, returning the facility to the Authority in a specified handback condition.

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.

The Authority will own the site and the facility for the duration of the Project agreement and will provide all of the health care services. The private partner will provide all building maintenance services under a long-term licence or lease agreement.

1.3 Purpose of the Request for Qualifications

The accompanying Request for Qualifications (RFQ) is being issued by the Authority for the purpose of identifying a short-list of teams to be invited to participate in a competitive selection process for the development of the Emergency Department and Critical Care Tower (the Tower) on the Surrey Memorial

Hospital campus. 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.

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 healthcare services in Surrey.

1.4 Fraser Health Authority

The Authority is one of the six provincial health authorities established by the provincial government to administer health care services in British Columbia. It is the largest of the province's health authorities, providing the full continuum of health care services to nearly 1.5 million people (one-third of the provincial population) in communities within a geographic area that stretches from Burnaby in the Lower Mainland to Boston Bar in the Fraser Valley.

Figure 1 – Map of Fraser Health Authority Region



The Authority owns and operates 12 acute care hospitals (with approximately 2,200 acute care beds) and owns and operates, or manages service contracts for, approximately 7,400 residential complex care beds. The Authority has a current annual operating budget of approximately \$2.4 billion. It is governed by a board of nine directors and has more than 23,000 staff and 2,500 physicians.

Additional information about the Authority is available at www.fraserhealth.ca.

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

Partnerships BC was established by the Government of British Columbia to structure and implement partnership solutions which serve the public interest. Additional information about Partnerships BC is available at www.partnershipsbc.ca.

The Authority has established a Project governance structure for the Project. A Chief Project Officer is responsible for the Project and the day-to-day functioning of the Project working team. The Chief Project Officer reports to, and seeks direction from, the Project's Executive Steering Committee.

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

- Bull, Housser & Tupper LLP
- Ernst & Young Orenda Corporate Finance Inc..
- IBI Group
- Flow Engineering
- Acumen Consulting Engineers
- CitiWest Consulting Ltd.
- CWMM Consulting Engineers Ltd.
- SS+A
- RPG Resource Planning Group

1.5 Surrey Memorial Hospital

Surrey Memorial Hospital (SMH) was constructed in 1959 when the population of Surrey was just over 50,000. Today the hospital is the largest acute care site in the Fraser Health region, with over 450 acute care beds and the busiest ED in the entire province.

The Surrey Local Health Area (LHA) has the largest population of all the communities served by the Authority and is projected to grow at the fastest rate of any of the LHAs within the Fraser Health region. The population of the City of Surrey is approximately 440,000 and is expected to reach over 570,000 by 2020.

SMH currently provides a full range of primary and secondary level hospital services to the community of Surrey and the wider Fraser South area. In addition, the hospital provides selected tertiary-level services to all of the Fraser Health region.

2. THE PROJECT

2.1 Background to the Project

In 2005, government directed the Authority to complete planning for the immediate, medium and long term needs of Surrey and the community served by SMH. In December 2005, the Authority presented their findings in the “Building for the Future: Surrey Health Services Capacity Initiative (SHSCI)” report. Upon review of the SHSCI report, government gave preliminary approval for a new emergency department and consolidated tertiary perinatal program at SMH.

In addition, the Authority’s Acute Care Capacity Initiative study confirmed the considerable need for additional acute care capacity for Fraser South by 2020.

This need is due to several factors, including but not limited to the growing and aging population and the increasing prevalence of chronic disease.

A key element of the strategy for creating capacity in Fraser South is to develop additional services at the SMH campus through the development of a critical care tower. This tower will house a new emergency department and consolidated tertiary perinatal program (or neonatal intensive care unit), together with an intensive care unit and a second site for the Authority’s clinical academic campus.

2.2 Project Vision

The overall vision of the Project is to address the health service needs of the Surrey community by creating capacity that will relieve critical pressures at SMH, and to ensure that health care services are provided safely, effectively and efficiently into the foreseeable future.

More specifically, the goals for the specific components of the Project are summarized in the following table:

Component	Goal
Emergency Department (ED)	To develop a new state-of-the-art emergency facility which will support a new service delivery model for emergency care, and which will reduce ED congestion and meet population health care needs to 2020.
Neonatal Intensive Care	To create a new, centralized tertiary perinatal program which will address the needs of the growing younger population in the Fraser Health region, and facilitate the most effective use of scarce, highly-skilled clinical resources.
Inpatient Care	To provide an adequate number of acute inpatient beds at SMH to meet the needs of the community of Surrey, and to align with the acute care bed requirements for each clinical service, each regional program, and each special population.

Component	Goal
Critical Care	To expand the critical care capacity at SMH for both intensive care and high-dependency care in order to meet the critical care needs for the services on the SMH site, as well as the needs created by SMH's wider role in the Authority's critical care system.
Medical Education	To support and enhance delivery of the government's medical education mandate through the provision of high-quality teaching / learning facilities at SMH.
Clinical and Non-clinical Support Services	To provide adequate clinical and non-clinical support in order to deliver timely, high-quality service to the expanded clinical programs.

2.3 Physical Description of the Project

Preliminary planning suggests that the Tower will include the components as outlined below:

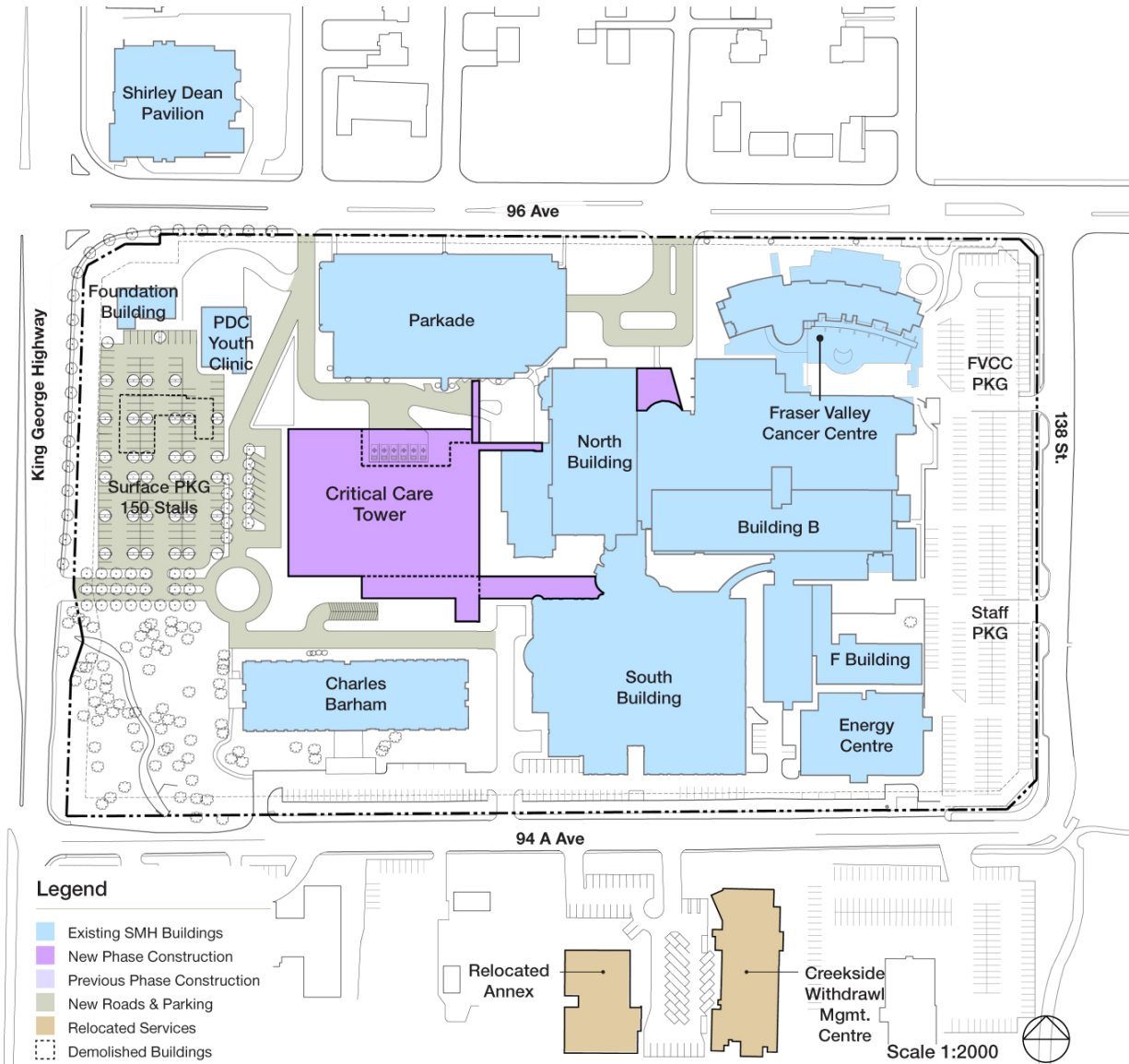
- **Parking:** Approximately 350 parking stalls in the below-grade levels of the Tower and approximately 150 surface stalls on the current footprint of the ADT Diabetes Clinic, which will be relocated;
- **Laboratory:** A new laboratory, which is expected to be the single laboratory servicing the entire SMH campus;
- **Emergency department:** A new emergency department, which is expected to be capable of accommodating more than 101,000 visits a year by 2020 and to provide dedicated accommodation to address the needs of children and the needs of patients with mental health issues;
- **Neonatal intensive care unit:** A neonatal intensive care unit, providing 48 bassinets, together with a dedicated pediatric pharmacy;
- **Intensive care:** An adult Intensive Care Unit, accommodating a total of 25 beds;
- **Inpatient units:** Three medical/surgical units, (including high dependency beds), with each unit accommodating at least 26 beds;
- **UBC Clinical Academic Campus:** A UBC Clinical Academic Campus providing classrooms, a library and other educational supports and student amenity space; and
- **Helipad:** Accommodation for a helipad on the roof level.

It is estimated that the Tower will be approximately 25,000 gross square meters.

The Tower will be located on the current footprint of the Dainard and Annex buildings, which will be demolished in advance of, or during, the procurement process.

A schematic representation, based on the preliminary planning, is presented below:

Figure 2 – Schematic Representation of the Site



A series of renovations to existing SMH buildings will also be undertaken in order to provide the increased capacity required to service the needs of the Tower, e.g., in sterile processing and laundry/linen. These renovations are not part of the scope of the Project, but rather will be delivered through a traditional procurement method and funding stream.

2.4 Site Issues

The site is located at the southeast corner of 96th Avenue and King George Highway in the designated downtown zone of the City of Surrey.

The site is owned by the Authority and no land transfers or purchases will be required.

Key challenges with the site include:

- Urban development with constrained access and limited lay-down areas;
- Construction activity close to an active acute care hospital;
- Proximity to a designated salmon spawning creek; and
- The required linkages and service connections to the existing facilities that are fully functioning acute care patient areas.

A graphical representation of the existing campus is presented below:

Figure 5 – SMH Campus



2.5 Traffic Issues

The Site is adjacent to two major arterials, King George Highway to the West and 96 Avenue to the North. On the East is 138th Street with 94A Avenue on the South. Existing site access is available from all these roadways, except King George Highway. It is anticipated that the City of Surrey will widen 94A Avenue at some future date. It is expected that there will be a new right hand turn off King George Highway into the West boundary of the Site, just North of the designated Greenbelt, and there will be an additional left turn for East bound traffic off 94A Avenue into the Site.

2.6 Zoning Issues

The site is currently zoned as Comprehensive Development Zone which is site-specific zoning enabled through City of Surrey Bylaw 12536. The Project will require re-zoning, for example to include the proposed helipad as a permitted use. It is expected that applicable zoning processes will be concluded prior to the end of the procurement process.

Development and Building Permits will be required. It will be the successful Proponent's responsibility to obtain these permits. The Authority has a positive working relationship with the City of Surrey, which is aware of, and supportive of, the proposed Project. The City of Surrey is familiar with the public private partnership process having worked closely with the Authority on the Surrey Outpatient Facility Project.

2.7 Design Work Completed To Date

The Authority has undertaken initial operational system design work in order to describe how services will be delivered within, and to, the Tower. This work covers both clinical service delivery (e.g., the different streams of care that will be provided in the emergency department) 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 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 are now working to develop an indicative design for the 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 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.

2.8 Utilities

Engineering work is underway to determine services that will be made available from the Surrey Memorial Hospital central plant. This information will be provided as part of the RFP with the intention of allowing Proponents to select the most effective way of servicing the Tower.

2.9 Facility Management Services

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 Tower in a condition fit for its intended uses.

In addition, it is anticipated that the successful Proponent will be responsible for the provision of:

- Housekeeping services in the Tower;
- Helpdesk Services for the Tower; and
- Maintenance of the "hard" components of the landscape and parking facilities.

2.10 Equipment

The successful Proponent will be responsible for the procurement, delivery, installation and commissioning of selected equipment for the Tower. This equipment will be specified at the RFP stage. It is expected that the equipment will be funded through a cash allowance.

2.11 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. 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.

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.

3. THE PARTNER 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 following is an outline of the process.

3.1 Request for Qualifications

The purpose of the RFQ is to identify and select respondents who will be invited to respond to the RFP. This is a major project and therefore the Authority intends to select a partner that will have demonstrated that it has the interest, experience, expertise, innovation, competence and capacity to ensure the Project's success. The RFQ sets out the information requested from respondents, and the evaluation criteria that will be used to evaluate responses.

The Authority intends to select a maximum of three respondents who will then be invited to submit proposals based on the specifications that will be included in the RFP.

3.2 Request for Proposals

Proponents who are short-listed at the RFQ stage will then be invited to submit proposals based on the output 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 threshold and it is anticipated that proposals that exceed this threshold will be disqualified.

3.3 Project Agreement

The 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. Along with a proposal that responds to the final draft Project Agreement, the Authority expects to allow proponents to submit alternative proposals of priced options based on modifications to the final draft Project Agreement, which the Authority may consider at its sole discretion.

3.4 Collaborative Discussion Process

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: Clinical/Design, Facilities Management, and Commercial/Legal.

3.5 Government Approvals

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.

4. GENERAL

4.1 Transparency of the Selection Process

The RFQ and RFP (including addenda) will be public documents, although only short-listed proponents will be invited to respond to the RFP.

At the completion of the procurement process, the Project team will prepare a summary document that describes the outcome of the procurement process and identifies the value for taxpayer dollars expected through the public private partnership.

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 Value for Money 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 (Honoraria)

The Authority will not pay any honoraria during the RFQ stage. The Authority intends to offer honoraria, in an amount to be set out in the RFP, to unsuccessful proponents who submit a bona fide proposal in response to the RFP.

4.3 Project Budget

The capital cost of the Project is estimated to be in the range of \$350 - \$400 million. It is anticipated that provincial milestone payments during construction will be made in the range of 40%-60% of the Project's capital costs. Project Co will be required to provide debt and equity financing for the remaining amount. Depending on financial market conditions at preferred proponent stage, the amount of milestone payments may be increased, thus reducing the private capital requirement.