

## REPORT OF FAIRNESS ADVISOR ON PROCESS FOLLOWED FOR EVALUATION OF PROPOSALS FOR DESIGN, CONSTRUCTION AND MAINTENANCE OF THE PROPOSED NEW SURREY OUTPATIENT FACILITY

The Fraser Health Authority (“FHA”), with the assistance of and under the management of Partnerships British Columbia (“PBC”) has embarked on the process of the development of a project known as the “Surrey Outpatient Facility Project” (“the Project”). The Project encompasses the financing, design, construction, and 30 year operation and maintenance of a stand-alone outpatient facility of approximately 150,000 square feet (excluding parking) to be located near the Surrey Memorial Hospital in Surrey, British Columbia.

As part of the overall planning for the Project, FHA/PBC chose a competitive process for obtaining proposals for and eventually procuring a public private partnership agreement for the project. The process adopted included a Request for Qualifications (“RFQ”) and implementation of an assessment process to choose three proponents from those responding to the Request for Qualifications. This process was complete in early May 2007 and was the subject of my report dated May 4, 2007.

The RFQ process resulted in the choice of three proponents, all of whom were then invited to submit formal proposals for the financing, design, construction and operation of the facility. The terms and conditions of the RFP process, encompassing instructions to the proponents, submission requirements and evaluation criteria, were set out in detail in a two volume document entitled “Request For Proposals for the Surrey Outpatient Facility” dated September 17, 2007.

The RFP process occupied the time frame September 2007 to April 11, 2008. In this interval, a large volume of information pertinent to the project was made available to the proponents and all members of the evaluation teams and committees established for the purpose of the RFP process. This documentation included multiple drawings, specifications and a draft project Agreement. All of this documentation was updated throughout the RFP process and made readily available to all interested parties, including the proponents, through an online “data room” established by PBC/FHA.

An iterative process was adopted in the time period September 2007 to March 10, 2008, at which time the remaining proponents, being two of the original three proponents, submitted their formal proposals. In this time frame, multiple meetings were held between the proponents and the various user groups of the proposed facility and representatives of PBC/FHA. The activities

in this time frame included a very detailed consideration of the design solutions presented by the proponents and a collaborative exchange of ideas between the proponents and the various end users. I was fully advised and informed of these steps and procedures and given access to all of the documentation created and exchanged in this time interval. I also attended meetings held with the proponents where process and expectation of both PBC/FHA and the proponents was discussed.

Following submission of the two proposals from BCHS and the Plenary Group on March 10, 2007, an Evaluation Committee, comprised of representatives of PBC and FHA, and their independent financial and legal advisors was convened for the purpose of considering the two proposals submitted. The committee met to consider process in mid March 2008. Presentations were made to the Committee by the proponents in early April 2008. Also, during the time period early March 2008 through April 8, 2008 sub committees of the Evaluation Committee met to individually consider various aspects of the proposals, including the financial/commercial terms, design and construction aspects and operation/maintenance issues. These individual committees or teams then reported their findings to the full Evaluation Committee which met to finally consider the two proposals on April 9 and 10, 2008.

I was in attendance at a number of these meetings, including the process meetings with the proponents and two of the individual team meetings considering legal/commercial aspects and the financial aspects of the proposals. I was also given full and free access to all information and reports provided to the various members of the Evaluation Committee and its subcommittees and I was given copies of all subcommittees' reports and evaluations. I also attended the full Evaluation Committee deliberations on April 9 and 10, 2008.

My observation of the foregoing process is that it gave a full, fair and exhaustive treatment of all of the financial/commercial, design/construction, functional and operational issues associated with the Project. All members of the Evaluation Team were very alert to their responsibility to make the process robust, fair and transparent and in my view they not only met but exceeded the obligation placed on them to achieve those ends.

In the result, the rules and procedures which PBC/FHA on the one hand, and the proponents on the other agreed to follow, were met in all respects and the proponents were treated fair and equally throughout.

Against the foregoing background, I would have no hesitation in concluding that one could rely with a high degree of confidence upon the recommendation made by the Evaluation Committee of a preferred proponent.

ALL OF WHICH IS RESPECTFULLY SUBMITTED:



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JOHN R. SINGLETON, Q.C.

April 14, 2008

Date