

## **Backgrounder**

### **The Academic Ambulatory Care Centre (AACC)**

#### ***Highlights of the Agreement***

The partnership agreement between Vancouver Coastal Health (VCH) and Access Health Vancouver (AHV) delivers value for money by meeting VCH's health service delivery needs; providing present value savings to taxpayers of approximately \$15 million compared to a facility built, owned and operated wholly by the public sector; and by delivering economic benefits and innovations such as an expedited timeline for construction.

Most important, this agreement means that the medical professionals at VCH can focus directly on health care and meeting the needs of patients. VCH will own the facility, while the private partner operates and maintains it.

#### **Meeting health service delivery needs**

The AACC will support an estimated 600,000 patient visits annually, several hundred medical students and over 500 medical and allied professionals, and will be flexible to meet the evolving needs of patients and the health care system. In doing so, it will address the following health service delivery needs:

- New facilities for the University of British Columbia (UBC) Faculty of Medicine - UBC will almost double its number of first-year medical school spaces by 2005-2006 and needs more teaching space in an ambulatory setting.
- The value of consolidating and co-locating services, specialities and disciplines - this will lead to increased efficiency, better teaching outcomes and better patient care, with seamless transitions from physicians' offices to diagnostic and treatment clinics.
- The need to replace existing, sub-standard teaching and clinical facilities on the hospital site that have been slated for demolition.
- The desire to improve the working environment for health care professionals at Vancouver General Hospital.

#### **Providing Benefits and Savings to Taxpayers**

The agreement with AHV, which combines design, financing, construction and facility management, will cost the public sector \$65 million over 32 years in net present value terms. This compares favourably to the estimated \$80 million net present value cost of the project if built, owned and operated wholly by the public sector. This represents present value savings to VCH of approximately \$15 million, while protecting taxpayers from risks, such as construction cost over-runs.

Benefits and savings to taxpayers include the following:

- VCH starts paying for the facility only when construction is completed, protecting the public sector from any added costs during the construction phase;
- The private partner has incentive to build the best possible facility, since they will also be responsible for operating and maintaining the facility according to standards agreed to by VCH.
- Cost savings are achieved by combining design, construction, financing, operations and maintenance under one long-term contract;
- Through a rigorous competitive process, VCH was able to choose a private partner that provides the best innovation and the best possible pricing in all aspects of the project including designing, building, financing and operating the facility.

The agreement incorporates a lifecycle approach to maintenance which will ensure that the facility is kept in an agreed upon, market standard for the term of the agreement to support the highest standards of service delivery, even as the building ages.

#### **Economic Benefits and Innovation**

- AHV has committed to a 23-month construction timeframe, which is an expedited timeline from what VCH anticipated. Further, VCH begins making payments only once the facility is completed.
- The partnership agreement secures new private sector investment in BC's public infrastructure, and will stimulate the local economy by creating approximately 300 jobs during construction.
- The competitive procurement process resulted in proponents drawing on their world-wide expertise. AHV worked closely with health care professionals to ensure the AACC meets the needs of patient care providers, educators and students with features such as:
  - A patient-centred healing environment that promotes accessibility, comfort and convenience for patients and staff;
  - Environmentally-friendly building systems and materials;
  - A bright, spacious, sky-lit, multi-purpose space on the main floor that may be used for special events and public meetings.

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