



northern health

PROJECT BRIEF

Fort St. John Hospital

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1. INTRODUCTION

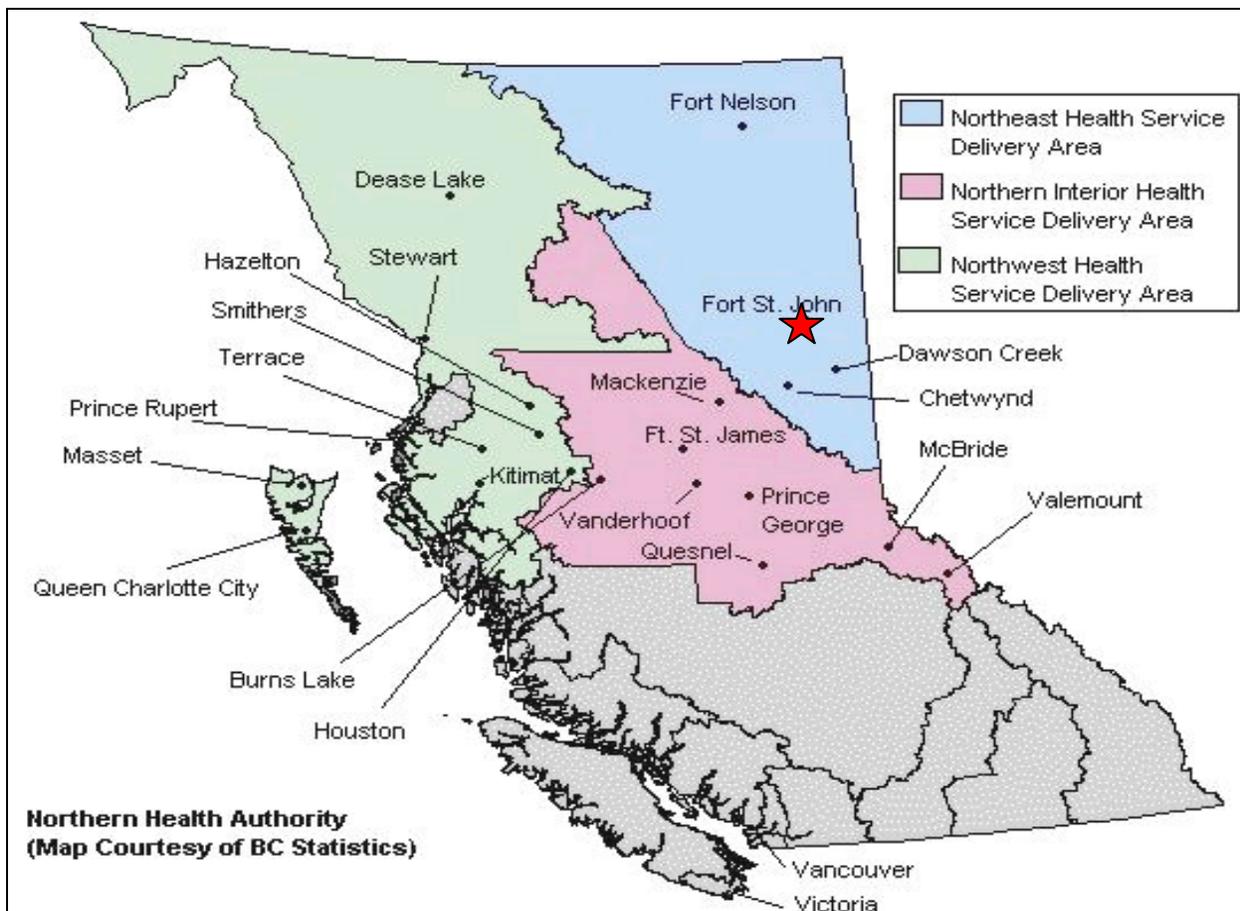
1.1 Purpose of this Project Brief

This Project Brief, and all comments included in it, is intended only as a convenient summary and reference describing the project, the business opportunity, Northern Health Authority (NH) and the anticipated procurement process. **The Project Brief is not included as part of the RFQ or RFP, 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 Business Opportunity

A one-page point-form summary of the project as anticipated by NH is attached as Attachment A to this Project Brief.

Figure 1 – Map of Northern Health Authority Region



NH has received provincial approval for the construction of a new 55-bed hospital, a services building (e.g., laundry, food services) and a 123-bed residential care replacement facility on the proposed site of the project in Fort St John. The new facility will replace remote, outdated infrastructure and provide greater opportunity to integrate acute and residential care services in the Northeast Health Service Delivery Area. This project is the number one capital priority for NH and is urgently needed to replace current facilities that are functionally obsolete.

The project will be procured using a partnership approach. The partnership will utilize a design, build, finance and maintain model in order to take advantage of private sector innovation and expertise. NH expects that a single private partner will provide these integrated services, assuming and sharing defined project risks and participate in the financing of the project.

NH believes that this project is an attractive opportunity for participants to form an experienced, highly qualified, multi-disciplinary team supported by the appropriate financial and corporate commitment, resources and experience necessary to undertake this project.

Features of this opportunity include:

- (a) The design and construction of a 55-bed hospital;
- (b) The design and construction of a services facility;
- (c) The design and construction of a 123-bed residential care facility;
- (d) The ongoing hard facilities maintenance and rehabilitation of the three facilities;
- (e) A 30-year concession term, with the term and structure linked to availability and performance;
- (f) Appropriate risk sharing and compensation;
- (g) The opportunity to address a critical health care need for northern British Columbia;
- (h) Strong government and public support for the project; and
- (i) An interactive procurement process in which the short-listed proponents and NH will have the opportunity to discuss key elements of the project including procurement issues and structure, design issues and documentation, provisions of the project agreement such as appropriate risk allocations, and payment mechanism.

This opportunity may also include:

- (a) **Commercial Opportunities:** The provision of commercial opportunities possibly comprising the design, construction and operation of a retail precinct, a restaurant within the facilities or construction and leasing market housing on

surplus areas of the site to support the housing needs of the community and hospital workers.

- (b) Existing Facilities: NH currently has three existing residential care facilities (Peace River Haven; Pouce Coupe Care Home and North Peace Care) and the existing hospital. NH is considering whether to include work on the existing three residential care facilities and existing hospital, such as renovation, demolition and/or redevelopment. The Respondents' capabilities in respect of such possible work will be outside the scope of this RFQ, but NH may consider proposals that include work on these facilities as an option. Further instructions would be provided in the RFP.

1.3 The Design Build Finance Maintain (DBFM) Approach

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

An amount, bid competitively, will be paid on a regular basis to the partner over the operating term of the agreement, commencing upon NH's commencement of occupation and use.

In the DBFM the private partner will be responsible for:

- Arranging the project financing partner's portion of the capital costs and agreed facilities operations for a specified term (e.g., 32 years inclusive of construction);
- Designing, constructing and commissioning of the hospital, services and residential care facilities;
- Providing hard facilities maintenance and rehabilitation services for the facilities over the project term; and
- At the end of the project term, the return of the facilities to NH in a specified hand-back condition.

NH will own the site and the facilities 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.

Payment to the private partner will commence after the construction of the facilities have been completed and are available for use by NH. Regular payments will be made, based on the availability and performance of the facilities.

1.4 Purpose of the Request for Qualifications

The accompanying Request for Qualifications (RFQ) is being issued by NH 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 hospital, services and residential care facilities in Fort St John. NH

intends that only teams selected through the RFQ will be eligible to be invited to submit a proposal in response to the Request for Proposals (RFP) for the project.

NH wishes to enter into a contract for the project that will permit NH to achieve its corporate objective to provide appropriate, modern and effective healthcare services in Fort St John.

1.5 Northern Health Authority and the Project Team

There are one provincial and five regional and health authorities in British Columbia (B.C.), which are the main organizations responsible for local health service delivery in the province. NH is one of the five regional health authorities responsible for delivering a full continuum of health services to meet the needs of the population within its respective region. NH serves more than 310,000 residents (of which 13 per cent are of aboriginal descent), employs, or contracts approximately 7,000 health care professionals and operates three core facilities including the Prince George, Mills Memorial Hospital (Terrace) and Fort St. John hospitals. The Fort St. John Hospital is located in the Northeast Health Service Delivery Area and is specifically responsible for the Northeast Health Service Delivery Area. The hospital offers health care services to the northeast region, including all medical and general surgical services, emergency care, ambulatory services, and visiting specialist programs, and also acts as a referral centre for the Peace Liard region. The Peace Liard region is the North Peace area comprising Fort St John, Fort Nelson and Hudson Hope. The South Peace area consists of Tumbler Ridge, Dawson Creek and Chetwynd. Other programs are referred to the Dawson Creek Hospital. These programs include mental health acute beds, orthopaedic surgery and Mat/Child surgical. The hospitals in Dawson Creek and Fort St John work collaboratively in offering some services.

A large proportion of the population in the Northeast Health Service Delivery Area is currently 75 years of age or older. NH has the highest projected growth rate of seniors (with a 48 per cent projected growth rate by 2010) making the impact on acute care and need for residential care a concern for the future. The current need for development of new hospital, services and residential care facilities will ensure that NH is well-positioned to meet the future population growth and demand in acute care and required health care services.

Additional information about NH is available at www.northernhealth.ca.

NH 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 B.C. to structure and implement partnership solutions which serve the public interest. Additional information about Partnerships BC is available at www.partnershipsbc.ca.

NH has established a project governance structure for the Fort St. John Hospital project. There is a Chief Project Officer who 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 Steering Committee.

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

- Stantec Architecture Ltd. and sub-consultants including:
 - Stantec Consulting Ltd.
 - Altus Geomatics Limited Partnership
 - Myles J. Noel Associates, LLC
 - Burnstad Consulting Ltd.
 - Parkland Geotechnical Consulting Ltd.
- Deloitte & Touche LLP.
- Fasken Martineau DuMoulin LLP.
- Boughton Law Corporation (Conflict of Interest Adjudicator)
- Pacific Meridian Consulting Inc.
- Spiegel Skillen & Associates Ltd.
- Caroline Webster Consulting
- Joan M. Young, Heenan Blaikie LLP (Fairness Advisor)

2. THE PROJECT

2.1 Background to the Project

The Fort St. John Hospital was built in 1961. Since that time, a second floor was added in 1976 and further renovations took place in 1999-2000. The current hospital design reflects health care processes of the 1960's and lacks adequate space for diagnostic, ambulatory services and the application of advanced technologies. The facilities are in poor condition and require repairs; however, these repairs do not address the lack of space and capacity issues impacted by population change and growth.

The space constraints and design deficiencies of the Fort St. John Hospital pose challenges to NH in providing an acceptable standard of patient care. These issues present operational challenges in the delivery of health services and care, medical education and technology, and in recruiting and retaining experienced health professionals. The redevelopment of the Fort St. John Hospital will modernize the delivery of health care for the northeastern communities, including Fort St John, Dawson Creek and Fort Nelson, now and into the future.

Northeast residential care demand is currently served by three, outdated and aging facilities. These remote centres require extensive investment to meet minimum building performance standards and are no longer appropriate for expansion or the residential care demands of NH.

It is expected that the total project cost for the facilities identified in this Project Brief falls in the range of \$230 to \$270 million dollars. NH will develop affordability parameters which will be included in the RFP.

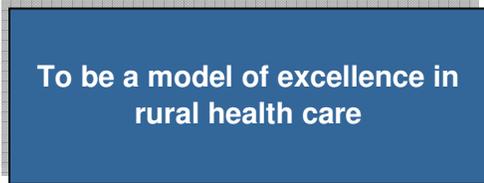
The project presents an opportunity to address both current and future needs. Health care is subject to significant and ongoing change in processes, equipment and information technology. There is a unique opportunity to design facilities that meet best practices; provides care in an effective, efficient way; and attracts the best health care professionals to care for NH residents.

The City of Fort St. John has signed the Province's Climate Action Charter. The Climate Action Charter signatories agree, over time, to become carbon-neutral by reducing emissions of greenhouse gases in their own operations and encouraging developers to create compact, sustainable buildings. It is uncertain what the implications of this are for this project, if any, at this point. Further information is expected to be provided in the RFP.

2.2 Project Vision, Objectives and Guiding Principles

NH has developed a vision, objectives and guiding principles for the project.

Vision for the project:



**To be a model of excellence in
rural health care**

The following project objectives and guiding principles were developed by NH to provide guidance in the procurement and development of the new Fort St. John Hospital project.

Project Objectives

1. Position NH to meet growth in demand for health care services;
2. Provide adequate space to enable client focused care delivery and excellent outcomes for patients, clinicians and staff;
3. Improve quality of care provided to patients of the Fort St. John region;
4. Improve working conditions to improve safety, efficiency, and outcomes for patients, clinicians and staff;
5. Provide a practice and learning environment that will attract and retain quality health care professionals;
6. Provision of a service building to provide food, laundry and materials management services for the northeast health service delivery area;

7. Facilities should support teaching programs in general and the UBC/UNBC Medical School specifically; and
8. In order to meet urgent health care need, complete the new hospital by 2011.

Guiding Principles

- **Responsiveness**—NH will be responsive to the people and communities it serves and will seek partnerships with communities to achieve better health for northern people.
- **High Quality Health Services**—Residents and visitors to northern B.C. will have access to high quality health services in an appropriate setting.
- **Integration**—NH will create a single health care organization to better meet individual needs through integration of services and resources.
- **Work Life**—NH staff and medical staff members will enjoy a high quality of work life, including significant opportunity for learning.
- **Academic Health Care**—NH will work with partners to expand teaching of the health professions and support research within northern B.C.
- **Sustainability**—NH will operate within the public and private revenues available to it without depleting the financial, physical or human resources required for the future. The project will be required to achieve LEED Gold certification.

2.3 Project Overview – Physical Description of the Project

Preliminary planning indicates that the new Fort St John Hospital project will include:

Acute Hospital redevelopment;

- 55 total-beds
 - Medical/Surgical: 40
 - Private 16
 - Isolation 8
 - Semi-private 16
 - ICU 4
 - Maternity/ Children 11
 - Total 55 beds

- Total approximate hospital building area (square meters) —10,000 m²
 - Ambulatory care 1,023
 - Emergency management 868
 - Surgical services 1,093
 - Diagnostic imaging 1,181

○ Laboratory services	101
○ Pharmacy	314
○ Rehabilitation	450
○ Respiratory and cardiology	84
○ Non-Clinical support	1,236
○ Inpatient services:	
▪ ICU	348
▪ Maternity/ children	763
▪ Medical/Surgical	1,625
○ Academic support	274
○ Staff accommodation	599
○ Rounding	41
Subtotal	10,000

Integrated services facility or co-located services building;

- Total approximate services building area (square meters)—5,000 m²;

○ Dock	50
○ Receiving/ stores	501
○ Bulk stores	476
○ Central processing	1,490
○ Food services	900
○ Laundry services	1,500
○ Rounding	83
Subtotal	5,000

- Laundry, soiled, contaminated holding;
- Food preparation (Fort St. John only) and dishwashing;
- Local Health Authority-wide storage; and
- Staging area for work on the main hospital and residential care centre.

Residential Care facility;

- Total residential care building area (square meters)—7,500 m²
- 123 total beds

○ Complex care	106
○ Respite	7
○ Palliative care	2
○ Psycho geriatric	8
	123 beds

2.3.1 Site and Integration Issues

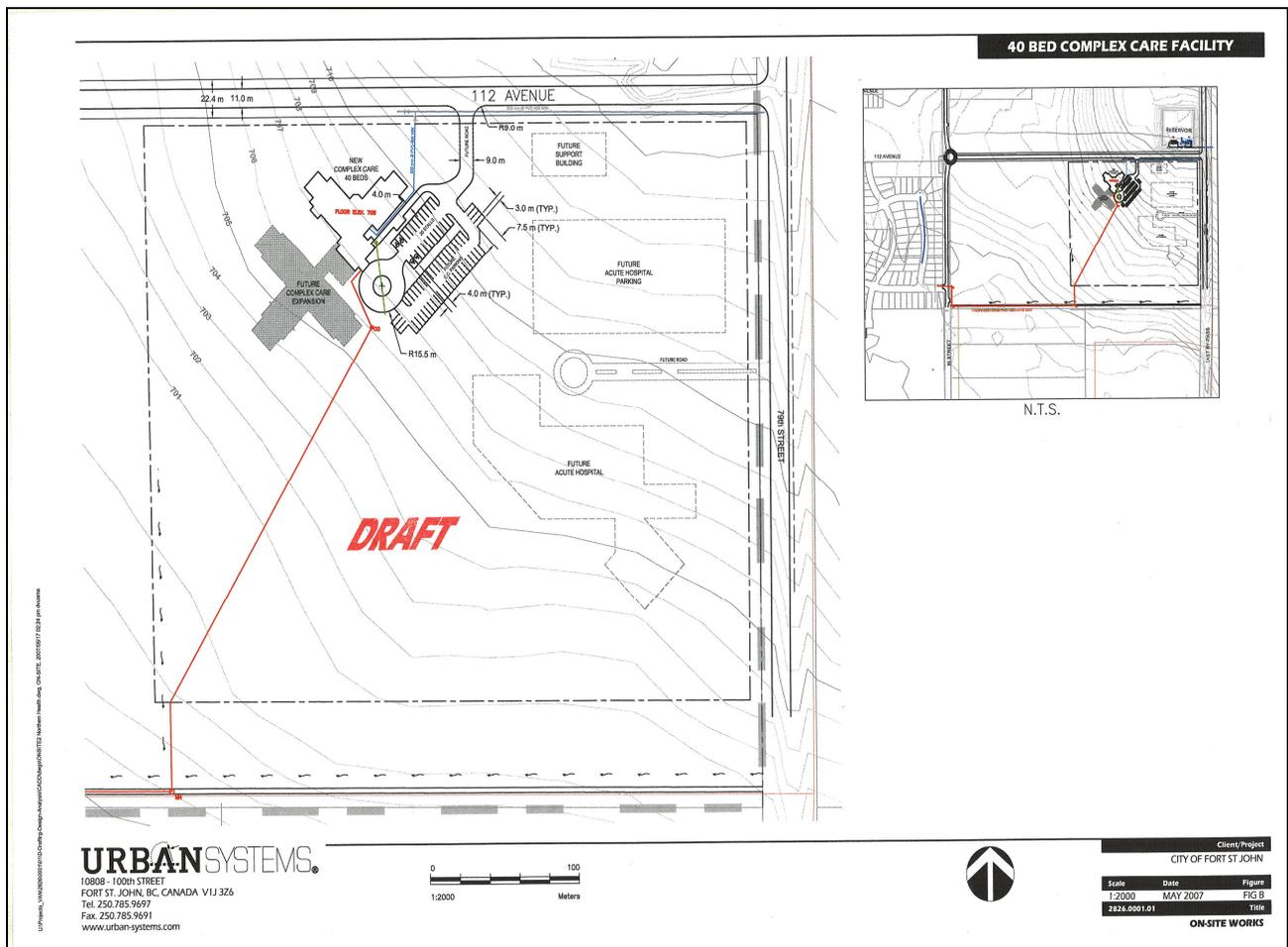
The site is located at the northeast corner of 112th Avenue and 79th Street, Fort St. John, on a 40-acre, greenfield site as shown in the site plan below in Figure 2 (note: In actuality, 112th

Avenue does not yet exist). The NH Board has approved the transfer of the donated land from the City of Fort St. John to NH, and applicable zoning processes will immediately follow the successful transfer of ownership which is expected to be completed prior to the end of the procurement process. The benefits of the proposed location include:

- The site will be owned by NH and will require no further funding for purchase;
- The proposed site is relatively flat and has access to all utilities;
- The 40-acre parcel can easily accommodate future expansion; and
- The municipal government is supportive of the project.

The proposed site for the new hospital, including a possible outline of the residential care facility's positioning on the site, follows below:

Figure 2 - Proposed Site for the New Hospital



2.3.2 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 facilities in a condition fit for the intended uses. Except for clinical equipment that may be included in the successful proponent’s responsibilities, NH 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.

2.3.3 Site Preparation/Site Services

The site is a 40-acre greenfield site previously used for agricultural purposes. The site has adequate staging area for construction activities.

2.4 Funding

NH anticipates obtaining funding for the capital cost of the new facilities as follows:

- (a) Peace River Regional Hospital District (PRRHD) has indicated it will provide approximately 40 per cent of the capital cost of the project. The timing of this funding is expected during the construction period. The project will not proceed without the confirmation of the amount and timing of the funding; and
- (b) Balance of the capital cost of the project to be sourced and provided by the successful proponent.

2.5 Project Elements – Responsibilities of the Partner and of NH

PROJECT ELEMENT	DESCRIPTION
Elements to be delivered by the partner	
Design and Construct	Design, construct and commission the facilities including: <ul style="list-style-type: none"> ▪ Obtain all final building and development permits; ▪ Design, construct and commission all space; ▪ Provision, maintenance, repair and, as appropriate, upgrading of all fixed equipment; ▪ Provision, maintenance, repair and, as

PROJECT ELEMENT	DESCRIPTION
	<p>appropriate, upgrading of fibre optic backbone or wireless media, including all cabling and power points, for the information management and technology systems;</p> <ul style="list-style-type: none"> ▪ Management of the design development process; and ▪ LEED Gold certification.
<p>Commercial Opportunities</p>	<p>The provision of commercial opportunities possibly comprising the design, construction and operation of a retail precinct, a restaurant within the facilities Construction and leasing market housing on surplus areas of the site to support the housing needs of the community and hospital workers</p> <p>NH is interested in commercial opportunities that can support the overall project objectives and offset operating or capital costs.</p>
<p>Finance</p>	<p>Procurement of the financial resources to fund the delivery of the project.</p> <p>NH anticipates that the Province will guarantee NH's payment obligations under the Project Agreement.</p>
<p>Handback</p>	<p>Undertaking all the necessary tasks to ensure that the facilities and site are returned to NH in accordance with the project's contractual requirements at the end of term.</p>
<p>Elements to be delivered, managed or owned by NH</p>	
<p>Facilities</p>	<p>NH will own the site and all buildings and other improvements on the site, subject to any licence or other rights to be granted to the partner or third parties.</p>
	<p>Ongoing delivery of all hospital functions and</p>

PROJECT ELEMENT	DESCRIPTION
Hospital Functions	activities that do not form part of the project.
Residential Care Function	Ongoing delivery of all care associated with residential care facility.
City Process	Obtaining the rezoning of the site with the accountability for any amendments and building permits the responsibility of the successful partner.

2.6 Compensation of the Partner

Proponents will be required to bid the service payments that will be made by NH throughout the operating term. NH will make service payments monthly. 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 the abatement of service payments as defined in the project payment mechanism.

3. THE PARTNER SELECTION PROCESS

NH intends the competitive selection process to be a two-stage process as follows:

- Request for Qualifications (RFQ)—up to three respondents will be designated qualified proponents; and
- Request for Proposals (RFP) from qualified proponents at the end of which a preferred proponent will be selected enter into negotiations with the objective of signing the project agreement and achieving financial close.

3.1 Overview of the Process

3.1.1 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, NH intends to select a partner that will have demonstrated that it has an interest, the 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.

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

3.1.2 Request for Proposals

Respondents who are short-listed at the RFQ phase 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 respondents are invited to submit proposals to. The RFP will include a mandatory financial affordability threshold and it is anticipated that Proposals that exceed this threshold will be disqualified.

3.1.3 Project Agreement

The draft project agreement will be included with the RFP. Proponents will be invited to provide comments on the agreement and NH will respond to these comments while the RFP is open. Prior to the close of the RFP, NH will issue a project agreement in final form to which the proponents will be expected to provide a proposal. If a proponent submits a compliant proposal, alternative proposals of priced options based on modifications to the final project agreement can be submitted for NH's consideration, at NH's sole discretion.

3.1.4 Collaborative Discussion Process

NH expects the RFP process to include a series of bilateral meetings with each proponent. The purpose of such meetings is to aid proponents in submitting quality proposals that effectively address the needs of NH. Meetings will include three topic areas: Clinical/Design, Facilities Management, and Commercial/Legal.

3.1.5 Government Approvals

The Province of B.C. and the Peace River Regional Hospital District have authorized NH to issue the proposal call documents.

Following the selection of a preferred proponent and subsequent negotiations, approval will be required from the NH Board and the Province of B.C. prior to final execution.

4. GENERAL

4.1 Transparency of the Selection Process

The RFQ, RFP and addenda will be public documents, although only short-listed respondents 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 achieved through the public private partnership. Value for taxpayer dollars is a broad term that captures both quantitative factors, such as project costs, and qualitative factors, such as improving service quality and protecting the public interest.

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)

NH does not intend to pay any honoraria during the RFQ phase. NH intends to offer honoraria to unsuccessful proponents who submit a compliant bid in response to the RFP.

4.3 Planned Schedule

The project schedule is provided in the RFQ.

ATTACHMENT A - SUMMARY OF THE FORT ST JOHN HOSPITAL PROJECT

- Project to be undertaken as a public private partnership (design, build, finance, maintain).
- Project to be on land located on a 40-acre greenfield site owned by NH and to be made available by way of licence or lease.
- Site is clear and ready for the commencement of construction.
- Land-use approval (zoning) to be obtained by NH.
- 55-bed acute hospital, services facility and 123-bed residential care facility form the facility aspects of the project.
- 30-year concession for maintenance and repair of the facilities to standard of owner-operated building, plus “hard” facilities maintenance.
- Peace River Regional Hospital District funding approximately 40 per cent of capital cost; private partner to provide approximately 60 per cent of capital cost by way of approved capital structure including equity and debt, plus 100% of maintenance costs.
- Payment based on monthly payment periods over the operating period, commencing from time of occupation and use of the facilities by NH, based on availability as well as performance of maintenance services to prescribed standards.