Upper River Valley Hospital

Are RFPs the Answer

Presented by
Department of Supply and Services
The Challenge

- The design and construction of a new state of the art 70 bed hospital adjacent to an exit on the new 4 lane highway to replace 3 existing facilities and downsize a 4th in various locations.
- Have the Project Substantially Complete by March 31, 2007 and Final Completion (fully open for business) by July 1, 2007.
- A fixed Capital budget of $55 million for construction & $10 million for FF&E.
- Produce a environmentally friendly Silver LEED certified facility on a green field site.
Hospital Location
Issues

- Schedule
- Budget
- Resources
- Access
Schedule

#1 Traditional Approach
Design – Bid - Build
- Project Initiation
- Program
- Design
- Tender/Negotiation
- Build
- Commission

#2 Bid –Design - Build
- Program & technical specifications
- RFP
- Negotiation
- Design-Build-Commission

#3 Alternate Service Delivery
- Bid – Design - Build
- Negotiation
- Plan-Design-Build-Commission
Issues

- Schedule
- Budget
- Resources
- Access
Hospital Site
Our Experience

- DSS role in Major Projects
- Experience with PPPs
- PPP models
- Other PPPs are being undertaken by other Departments
RFP Objectives

- Accommodate the programs required by the Dept. of Health and Wellness.
- Secure optimum value from a new, modern, high performance, environmentally sustainable and efficient hospital, at the least cost to the Province.
- To provide a balanced risk model between the Province and the Developer.
- To ensure that construction services and equipment procurement are performed in an open, accessible and public process.
- To maximize local content.
- To ensure user input into the entire process.
Milestones

- Issuance of RFP August 5, 2004
- Closing Date of RFP August 26, 2004
- Proposal Evaluation August - September 2004
- Proponent Interviews September 2004
- Notify Proponent and Negotiations In October 2004
- Signing of Development Agreement In November 2004
- Substantial Completion of Hospital March 31, 2007
- Final Completion and Patient occupancy June 30, 2007
The RPF Model Development

- RFP for a Project Management Design Build approach.
- Services include all project management, planning, design, budget, cost and schedule control, procurement, construction management, commissioning, occupancy planning.
**Balanced Risk**

- Given that the project budget was fixed, the expectation was that the developer would carry the risk for the tasks that he would be in control of (design, tendering construction etc)
- Scope creep would be best managed by the Province.
Project Management Requirements

- Schedule and budget requirements.
- Ongoing consultation with PNB.
- Meet all governing regulations.
- Provide a quality mgmt. sys., an environmental mgmt. sys., a safety mgmt. sys. and a risk mgmt. plan.
- Utilize a collaborative information mgmt. sys.
- Perform budget, cost planning and cost control.
- Provide an equipment coordinator.
- Perform commissioning & occupancy planning.
Design & Construction Requirements

- Utilize an Integrated Design Approach
- Design responds to the requirements of the functional program.
- Achieve a LEED Silver Rating.
- Perform 25% below National Energy Code.
- Utilize Gold Seal Certification.
- Design to reflect the character & social fabric of the Upper River Valley.
- Provide as built documentation in electronic format.
- Adherence to CCCA & PPA.
Developer Incentives

- Liquidated damages for delay in Final Completion.

- Responsible for errors and omissions.
Evaluation Criteria

Evaluated on:

➢ Proponents understanding of the requirements.
➢ Project Team.
➢ Project Management Approach.
➢ Design and Construction Approach.
➢ Financial Proposal.
Project Organization
DSS Role

DSS performs a different role than on traditional project development

- Responsibility to produce is with the developer
- Code compliance has been delegated.
- Errors & omissions have been delegated.
- Reviews are based more on the operational/functionality of the facility than in our traditional approach.
Lessons Learned

- On this project we were essentially hiring someone to do what we would traditionally do.
- As a service provider it is important to know the owner and their expectations.
- It is important to both parties that they understand the business arrangement intimately. The Owner must define the expected services and the risk model in detail.
Lessons Learned cont’d

- On this project we defined budget and the scope. As an owner there must be a good confidence level in these numbers.
- If you are not knowledgeable and experienced in what you are trying to achieve as an owner, this may not be the best model to pursue.