

**INTERIOR HEALTH AUTHORITY**  
**INTERIOR HEART AND SURGICAL CENTRE**  
RFP Process

**Report of the Fairness Advisor**

I was retained as Fairness Advisor for the Interior Heart Surgical Centre Project (the "Project"). My mandate is to act as an independent observer with respect to fairness of implementation of the Project's procurement processes. I report to the Project Board on whether the procurement process and decisions of the Project team related to the process are fair, reasonable, and appropriate; and whether the processes and decisions are reasonably implemented and materially complied with by the Project team.

I have previously reported on the RFQ for the Project; the Project team has now completed evaluation of responses to the Project's Request For Proposals ("RFP"), and this is my final report.

**RFP / COLLABORATIVE PROCESS**

The RFP was issued in August, 2011 to the three Proponents selected through the RFQ process. The RFP included details of the technical requirements of the project, the form of the project agreement to be signed by the authority and the successful Proponent, the format and content required for Proposals, and a summary of the process and criteria for evaluation of Proposals.

After release of the RFP, Project staff held several rounds of meetings and workshops with the three Proponents, for discussion and mutual consultation about the requirements of the RFP and the Project Agreement, the expectations of Proponents, and certain topics of concern or interest. I attended most of those meetings, and observed that:

- all meetings were attended by Project staff with appropriate expertise and authority to address the questions raised by Proponents
- the Project team provided appropriate answers to Proponents' questions
- the team ensured that all Proponents were provided with the same information about the project, in a timely manner
- meetings were conducted in consistent fashion for all three Proponents
- meetings were conducted in accordance with the RFP, including its requirements related to confidentiality, restrictions on communications with Proponents, and other matters.

Prior to receipt of Submittals from Proponents, the Project team staff also managed an electronic data room with various documents relevant to the Project, and answered written questions from Proponents. I monitored the data room periodically, and reviewed all communications between the Project team and Proponents. I observed that questions submitted to the Project and requests for information were answered consistently both as to substance, and as to the process described in the RFP.

Before providing their Financial Submittals, Proponents also provided a Base Rate / Credit Spread Benchmark submittal. I monitored the handling of these submittals, and confirmed that the Project team managed and responded to these submittals in accordance with the RFP.

## EVALUATION

Proponents' responses to the RFP were submitted in two phases, the first being a Technical Submittal that set out the Proponent's plans for the technical aspects of the building, and the second being a Financial Submittal that detailed each Proponent's plans for financing the Project. These submittals were evaluated by separate teams of evaluators with appropriate expertise.

**Evaluation Manual:** Before each set of Submittals was received, the Project team produced a detailed Evaluation Manual setting out:

- procedures for receipt of Proposals, and security measures for custody of and access to Proposals (including secured premises, restrictions on copying, restrictions on use of electronic devices, etc.);
- procedures for review of relationships of the evaluators to eliminate potential conflicts;
- the responsibilities of all participants in the evaluation, including individual evaluators, evaluation team leads, expert advisors, the Evaluation Committee and the Evaluation Due Diligence Committee;
- methods for communicating with Proponents during the evaluation;
- the method and procedures for evaluating and scoring Proposals. (For the Technical Submittal, this included elements of substantial compliance with requirements of the RFP and Project Agreement, as well as certain scored elements; for the Financial Submittals, this included analysis of Proponents' financial models and plans, and ranking of Proposals based on the criteria described in the RFP.)

and other matters. Each Evaluation Manual was prepared with assistance from evaluators and advisors with expertise in the various aspects of the RFP requirements related to the particular Submittals. I reviewed each Evaluation Manual and was satisfied that it set out a reasonable basis for evaluation of the related Submittals, consistent with the RFP.

**Closing and Completeness Review:** All three Proponents filed Technical Proposals in response to the RFP, and were ultimately invited in accordance with the RFP to provide Financial Submittals. I monitored the closing time for each set of Submittals, and confirmed that the Project team followed the processes set out in the relevant Evaluation Manual for receipt and initial completeness review of Submittals, as well as secure storage and confidentiality of documents.

**Relationship Review:** Before any evaluators were permitted access to the Submittals, a Relationship Review Committee conducted a process consistent with the Evaluation Manual to elicit and consider details of relationships among members of Proponent teams, and members of the evaluation teams, to ensure that evaluators were free of bias.

**Orientation:** Before starting their work, all evaluators attended an orientation meeting at which the Evaluation Committee highlighted various aspects of the relevant Evaluation Manual, including the methods for evaluation, and standards related to confidentiality, security, consistency, and other matters.

**Evaluation Process:** During each evaluation, I had access to all the submittals and the evaluation premises at all times. I was informed of all meetings, and reviewed all correspondence between the Project team and Proponents. I attended a selection of the meetings related to the evaluation and talked with the evaluators. I observed that the processes for security and access to documents outlined in the Evaluation Manual were followed by the Project team.

The Technical and Financial Submittals were each evaluated by persons with relevant expertise in the RFP requirements related to those submittals. The teams were provided appropriate physical and equipment resources for the evaluation, and had available expert advisors. The evaluators developed questions as needed to obtain clarification and supplemental information from Proponents where necessary to the evaluation. I observed that the processes described in the Evaluation Manual were followed for all communications between the evaluation teams and the Proponents.

In the course of the evaluation, the evaluation team leads met with the Evaluation Committee to review the work and comments of evaluators. The Evaluation Committee reviewed the methods used by evaluators as well as their substantive comments, to satisfy itself that the evaluators' work was conducted in accordance with the RFP and the Evaluation Manual, that the evaluation criteria were applied consistently to all submittals, and that members of the evaluation teams were unanimous in their conclusions and recommendations. I also observed that all members of the Evaluation Committee were familiar with the submittals and participated fully in the discussion.

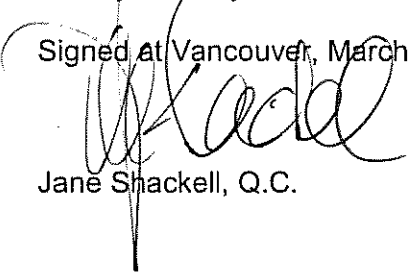
Following discussion with the evaluators, the Evaluation Committee prepared reports on evaluation of the Submittals. I observed that conclusions of the Evaluation Committee were unanimous.

## CONCLUSION

During the RFP process, I have observed that the Project team has discussed and instructed itself appropriately on issues of fairness and consistency, as necessary. Periodically, I have been asked for or have offered comments on fairness issues, and in each such case I have been satisfied with the handling of my input.

Based on all of my observations above, I am satisfied that the procurement process, and the decisions of the Project team related to the process, have been fair, reasonable, and appropriate; and that the processes and decisions have been reasonably implemented and materially complied with by the Project team.

Signed at Vancouver, March 30, 2012.

  
Jane Shackell, Q.C.