

March 19, 2013

by email
original to follow by mail

Provincial Health Services Authority
Suite 100 - 4088 Cambie Street
Vancouver, BC
V5Z 2X8

Attention: Mr. David Ingram

Dear David:

**Re: BC Children's and BC Women's Redevelopment Project;
Report of the Fairness Advisor, RFQ Process**

Enclosed is my signed report as Fairness Advisor for the above project, for the attention of the Project Board. Kindly provide me with the dial-in information for the Project Board's meeting.

Yours truly,

MILLER THOMSON LLP

Per:

Jane S. Shackell, Q.C.
JSS/dwj

enclosure

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PROVINCIAL HEALTH SERVICES AUTHORITY

BC Children's and BC Women's Redevelopment Project Phase 2 RFQ Process

Report of the Fairness Advisor

Introduction

I was retained as Fairness Advisor for the BC Children's and BC Women's Redevelopment Project Phase 2 (the "Project"). My mandate is to act as an independent observer with respect to fairness of the implementation of the Project's procurement processes, and report to the Project Board.

This is my report on the procurement process including evaluation of Responses submitted in relation to the Project's Request For Qualifications (the "RFQ").

RFQ and Evaluation Manual

The RFQ was issued in January, 2013, requesting interested entities to submit Responses describing their experience, track record and capability relevant to the Project. The RFQ included details of the information required, the format for submissions, and a summary of the criteria for evaluation of Responses.

I attended the bidders' meeting held by the Project team, at which prospective respondents received a presentation by Project staff, and had the opportunity to ask questions. After issuance of the RFQ, Project staff answered further written questions submitted by potential respondents. I observed that questions were handled in a manner consistent with the process described in the RFQ.

Project staff produced a detailed Evaluation Manual setting out:

- the method for evaluating Responses, with scoring guidelines, procedures and methods
- procedures for receipt of Responses, and security measures for custody of and access to Responses (including secured premises and a secure website, and other matters)
- procedures for review of relationships of the evaluators to eliminate potential conflicts
- methods for communicating with respondents during the evaluation

and other matters. I reviewed the Evaluation Manual and was satisfied that it described a reasonable basis for evaluation of Responses, consistent with the RFQ.

Responses to RFQ

Seven respondents filed Responses to the RFQ by the closing time. I observed that the processes set out in the Evaluation Manual for receipt and initial completeness review were followed. I monitored the subsequent storage and review of the Responses and confirmed those processes were conducted in accordance with applicable provisions of the Evaluation Manual.



A Relationship Review Committee conducted a process to elicit details of relationships among members of respondent teams, and members of the team evaluating Responses, to ensure that evaluators were free of bias with regard to any of the respondents. I observed that the process established in the Evaluation Manual for relationship review was followed.

Evaluation

During the evaluation, I had access to all the Responses and the evaluation premises at all times. I reviewed all correspondence between the Project team and respondents. I attended many of the meetings related to the evaluation, and monitored a selection of the reference checks.

Each Response was reviewed by teams of evaluators with responsibility for specified aspects of the Responses – finance, design, construction, and services. The Evaluation Committee itself, in addition to overall scoring, took responsibility for initial review of the 'Respondent Team Lead' aspect of Responses.

Members of each evaluation team had appropriate expertise to evaluate the material they were to consider. The teams were provided appropriate resources for their review, including meeting rooms, electronic equipment, and access to expert advisors. The teams provided comments and recommendations on the features of each Response that related to their assigned area; each team's comments and recommendations consisted of their consensus view of the Responses. Before finalizing their recommendations, the evaluation teams consulted with each other to ensure that any overlaps in responsibility were appropriately addressed.

The Evaluation Committee met with the evaluators' team leads, and satisfied itself as to each team's methods, rationales, and consistency. The Evaluation Committee carefully considered the comments prepared by the teams, but conducted its own evaluation of each Response as described in the RFQ and the Evaluation Manual.

I observed that:

- Before commencing work, all evaluation participants received an orientation to the Evaluation Manual, including evaluation procedures and standards.
- Periodically during their work, evaluators discussed various matters set out in the Evaluation Manual, including issues as to consistency and fairness.
- Clarification questions were asked of respondents as the Evaluation Committee considered necessary, following the procedures set out in the Evaluation Manual.
- All evaluators were familiar with each of the Responses, such that each member could discuss and compare the Responses in meetings.
- Reference checks were conducted in accordance with pre-determined procedures including consistent questions to referees.
- There was vigorous but respectful debate among team members with regard to each aspect of the Responses. Scoring results represented the consensus of the entire Evaluation Committee.



- A Due Diligence Committee reviewed the work of the evaluators and the Evaluation Committee.

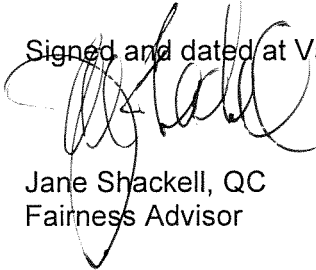
I am satisfied that the final scores are properly based in the requirements and measures described in the RFQ and the Evaluation Manual.

Conclusion

The Project team has occasionally sought my advice on specific questions. I have also periodically offered advice or comments on matters of fairness. In each such case, I have been satisfied with the handling of my recommendations.

I am satisfied that the procurement processes of the Project in relation to the RFQ have been reasonable, and have been fairly implemented by the Project team.

Signed and dated at Vancouver, March 19, 2013.



Jane Shackell, QC
Fairness Advisor