

Kelowna and Vernon Hospitals Project



“The new state-of-the-art patient care towers in Kelowna and Vernon will meet the highest environmental and service standards, and will form the cornerstone for the improvement of patient care in the Southern Interior.” – George Abbott, former Minister of Health Services

Project Overview

The Kelowna and Vernon Hospitals (KVH) project includes elements at two sites:

- At Kelowna General Hospital (KGH): a new patient care tower, a new University of British Columbia (UBC) Medical School Clinical Academic Campus, and parkade.
- At Vernon Jubilee Hospital (VJH): a new patient care tower.

The KVH project is a major initiative for the Interior Health Authority (IHA) and the Province of British Columbia (B.C.), combining extensive upgrades at KGH and VJH into a single project to enhance patient care, improve patient outcomes and achieve efficiencies. The project delivers numerous benefits and innovations to best meet the health care needs of Okanagan residents, while delivering value for money to B.C.'s taxpayers. The project features modern facilities, equipment, services and supporting infrastructure at both sites.

KGH highlights include:

- A six-storey, 33,500 square-metre patient care tower comprised of general clinics with larger operating rooms, diagnostic services, renal dialysis, and specialized services, as well as rooftop helipad, and full integration with the existing hospital;
- A modernized emergency department with expanded facilities and services on the ground floor of the new patient care tower;
- Two shelled-in floors for future patient beds;
- A two-storey, 3,200 square-metre UBC Clinical Academic Campus building, housing a 180-seat lecture theatre, distance education rooms, clinical skills rooms and library; and
- A multi-level parkade.

VJH highlights include:

- A seven-storey, 16,800 square-metre patient care tower comprised of a new intensive care unit, a new expanded outpatient program, a separate outpatient (day procedure) entrance from the parking lot, consolidated and centralized operating rooms, maternity and paediatrics ward with direct link to operating rooms;
- A modernized emergency department with expanded facilities and services with high visibility ground level access; and
- Two shelled-in floors for future patient beds.

The facilities will be open in three phases: UBC Clinical Academic Campus and parkade opened in December 2009; VJH Patient Care Tower will open in 2011; and KGH Patient Care Tower will open in 2012.

The total fixed-price project capital cost is \$432.9 million.

Partnership Highlights

The agreement between IHA and the private partner—Infusion Health—is designed to deliver publicly-owned, high-quality and well-maintained hospital facilities together with facility management services over 30 years that proved value for money for taxpayers dollars by:

- Jointly procuring the KGH and VJH projects into a single, larger project, resulting in efficiencies from integrating the design, build and finance teams, and the efficient transfer of risk;
- Specifying detailed facility performance and facility management service requirements that Infusion Health has agreed to meet over the 30-year operating term of the contract;

- Establishing a performance-based payment system with incentives for Infusion Health to meet contractual requirements, as well as provision for deduction where performance does not meet requirements;
- Requiring an integrated single physical plant maintenance service on each site; consistent standards and services; operation policies and processes across the whole of both sites, and a single-point of contact for help desk service; and
- Defining required standards for the functionality of the facilities, and its condition at the end of the agreement.

Expected Benefits

The final partnership agreement between IHA and Infusion Health is expected to achieve value for taxpayers' dollars of \$25.4 million compared to the traditional procurement delivery model. Additional benefits from the partnership include:

- Transferring risks to the private partner, such as: construction schedule, budget, facilities maintenance and operation;
- Jointly procuring the KGH and VJH projects as a single, larger project streamlined procurement timelines and achieved economies of scale on procurement, construction and operating costs;
- Effective risk management through integration of facility design, construction, maintenance and operation;
- Lifecycle maintenance, whereby the private partner is responsible and accountable for ensuring the facility is maintained and rehabilitated over the duration of the project agreement, with penalties for non-compliance; and
- Service payments to the private partner will only occur after construction is completed, which provides a strong incentive for the private partner to finish construction on schedule.

Public Sector Partners

- IHA
- Ministry of Health Services
- North Okanagan Columbia Shuswap Regional Hospital District
- Central Okanagan Regional Hospital District

Private Sector Partner

Infusion Health:

- Design: Stantec Consulting Inc.
- Construction: Graham Design Builders
- Finance: Bilfinger Berger Project Investments SCA and John Laing Investments Ltd.
- Facilities Mgmt: Black and MacDonald Ltd.

Partnerships BC's Role

Partnerships BC provided procurement management services to IHA and the B.C. Ministry of Health Services.