

**Capital Project Plan
Surrey Outpatient Facility
March 19, 2007**

1. Project Background

In 2005, the Fraser Health Authority (FHA) completed a clinical planning initiative to determine the immediate, medium and long term health care needs of Surrey and the community served by Surrey Memorial Hospital (SMH). In December 2005, FHA released the “Building for the Future: Surrey Health Services Capacity Initiative” report presenting the findings of the initiative. The report identified the pressure points at SMH and provided a range of facility solutions to address future and foreseeable service delivery needs in Surrey.

A key recommendation in the report is the need for a new outpatient facility to serve the Surrey community. Selected outpatient services currently provided at SMH, would be moved to the proposed facility as well as new services added to help address congestion at SMH while improving the long term service capacity for the community. The proposed outpatient facility is consistent with and supports the strong trend in health care towards more services being provided through outpatient care.

2. Project Objectives

The objectives of the project are to:

- Support a reduction in congestion at SMH by relocating outpatient services to a new outpatient care facility;
- Develop a new, purpose built outpatient care facility that meets patients needs and improves both operating efficiencies and the work environment for staff;
- Provide space in the facility for a primary care clinic to deliver enhanced family practice services,
- Improve chronic disease management services by co-locating relevant clinics in the facility in order to deliver multi-disciplinary care, maximize contributions of allied health disciplines, and enhance the overall patient experience; and,
- Develop a flexible and adaptable facility able to respond over the long-term to changing medical technologies and patient demographics.

3. Project Status

Preparations for the project have included:

- Completion of a functional program to confirm the range of services to be delivered and the approximate size of the building;
- Preparation of a preliminary estimate of project costs using a quantity surveyor;
- Development of a project budget reflecting the preliminary cost estimates;
- Analysis of project risks;
- Discussions with the City of Surrey and other stakeholders;
- Selection of a 5.8 acre site in May 2006, at the corner of 140th Street and Fraser Highway adjacent to the Green Timbers Urban Park, and,
- Agreement with the Ministry of Agriculture and Lands to transfer ownership of the land to FHA in 2007.

4. Costs and Benefits

Project Costs

The estimated capital cost of the project is \$151 million. This estimate is based on the preliminary functional program for the outpatient facility. The project quantity surveyor advises that, in the current market, the cost estimate has an accuracy of +/- 20 percent.

Project Benefits

The project will benefit the Surrey community by:

- Improving service to outpatients through more convenient access and faster turnaround time. Features include one-stop appointment scheduling, a streamlined admission and discharge process, state-of-the-art information technology and teams of multi-disciplinary health professionals for patients with complex care needs;
- Consolidating and co-locating services that use similar spaces to create opportunities for more efficient use of resources and improvements to operational flexibility;
- Reducing congestion in SMH; and,
- Providing a broad spectrum of services to the community including education, health promotion, screenings, and wellness.

5. Project Risks

The major risks associated with the Surrey outpatient facility generally relate to project scope and functionality, schedule, cost and operating risk.

Scope and Functionality: These risks arise when the building is not sized appropriately, and/or does not have optimum design which results in lower functionality, less efficient operations, and user dissatisfaction. Measures to mitigate these risks include:

- Extensive user involvement during the functional programming and concept design phase to ensure higher user satisfaction, integration, and functionality.
- Design will be taken to concept drawings before being bid. This will reduce the likelihood of oversights and ensure that key functionality components are included.
- The concept design architect and its team of engineers, etc. will be retained to act as “shadow consultants” to the project. This will reduce the likelihood of oversights.
- Continued interface with user groups (both clinical and non-clinical) throughout the design development and construction phases will occur. User groups will also have representation on the RFP evaluation team.

Schedule Risk: This risk arises from the possibility that the procurement process takes longer than expected, the zoning/permitting process takes longer than expected or the design/construction process takes longer than expected. Measures to mitigate this risk include:

- FHA has engaged Partnerships BC to run the procurement process, and procurement and legal documentation will be based on industry-accepted templates.
- A Request For Qualifications (RFQ) process will be used to short-list the best proponents.
- Contractual documentation will be prepared ahead of time and appended to the RFP.
- Concept design drawings will be included in the RFP to support the procurement cycle.
- FHA has engaged early with the City of Surrey to obtain their support. Fast-track zoning and permitting processes will be used.
- An experienced construction manager will be used to act as an interface between FHA and the P3 consortium design and construction leads.
- Performance incentives will be provided for on-time completion.

Cost Risk: This risk arises from the possibility that overall project cost and construction costs are higher than budget. Measures to mitigate this risk include:

- The preliminary budget is based on a quantity surveyor report and has been validated by both a Construction Manager and Partnerships BC.
- Realistic estimates of construction escalation and inflation have been built into the budget based on other recent projects and a realistic contingency has been included.
- An experienced construction manager will be used to act as an interface between FHA and the consortium design and construction leads to ensure on time and on budget delivery.

Operating Risk: This risk arises if the facility is not well-maintained over time and/or the cost of maintenance is higher than expected. Measures to mitigate this risk include:

- Detailed performance specifications will be included as part of the RFP to ensure the proper mechanical/electrical systems are provided.
- It will be a requirement that the P3 consortium include a facilities maintenance provider that will have input into the design/construction process.