

Royal Women's Hospital Partnership

PPP Technical and Cost Advice – Melbourne Royal Women's Hospital

The Brief

Melbourne Royal Women's Hospital RWH is a \$250m Public Private Partnership (PPP) project to design, build, finance and operate a new 247 bed hospital for the Department of Human Services utilising the Partnerships Victoria framework in the use of private finance for public infrastructure.

Bilfinger Berger Concessions (BBC), established a Special Purpose Vehicle called Royal Women's Hospital Partnership (RWHP) to bid for the project. RWHP was successful with its bid and was selected as preferred proponent early 2005. Baulderstone Hornibrook is carrying out the construction and United Services will be the facilities management provider.

The new hospital is being built on the existing Royal Melbourne Hospital site using land made available after demolition of some current buildings whilst healthcare continues to be provided.

The annual facilities management (FM) service costs from the public sector comparator were approximately \$7.9m and included:

- Planned maintenance and reactive repair
- Security
- Cleaning and hotel services
- Car park management
- Help desk
- Grounds maintenance
- Pest control
- Life cycle

FORWARD

GROUP

- Aviation
- PFI
- Built environment



Services Provided

- Cost benchmarking
- FM liaison
- Service deliverables preparation
- FM bid completion
- PFI FM consultancy
- Due diligence services.

Our Approach

Forward PFI was appointed by RWHP, during the Request for Tender stage on its successful tender for the project, to provide the services. This was undertaken by utilising a dedicated resource for the three week commission period. The consultant worked directly for RWHP and reported to its bid director. The principle initial appointment was to provide RWHP with confidence that United KG's, its FM services provider, pricing and service delivery strategy would meet the requirements of the output specification.

Responsibility also included undertaking a due diligence exercise across all elements of the final response document to ensure that the bid requirements would meet the standards needed to secure the contract. Following this exercise, full drafting for the submission documents was provided to enhance the final document.

The Results

Within an extremely short timeframe, Forward PFI was able to assist the consortia in both amending its delivery strategies and preparing new elements to enhance the tender response including:

- Production of a shadow services price and model
- Production of a shadow life cycle price and model based on information provided by Baulderstone Hornibrook
- Assisting in price negotiations with United KG
- Drafting text for the bid submission
- Providing general advice relating to the services element of the response
- Assisting in the production of the final bid document