

# PROCUREMENT CASE STUDY: PUBLIC PRIVATE PARTNERSHIPS (PPPs)

Public Private Partnerships (PPPs) are where the design team is one part of a bidding consortium (private) that bundles design, construction, finance and operational services into a single contract with Government (public).

In the PPP model, two or more consortia are selected to prepare a detailed submission in response to a Request for Proposal (RFP), following a shortlisting of proponents at an expression of interest phase. Each tender response is fully costed on a whole of life basis, and assessed against a series of known criteria by the state. A Best and Final Offer (BAFO) was required from two of the respondents for RCH following the RFP phase. A BAFO is an extremely effective way of getting bidders to address issues identified post RFP, but prior to appointing a preferred bidder (at which time, all competitive tension is lost). The State will generally compensate the losing bidder for the additional costs associated with the BAFO phase. When a proponent is nominated as the preferred tenderer there is likely to be a further negotiation phase prior to reaching contractual close. These phases collectively are referred to as the bid / tender phase of a PPP project.

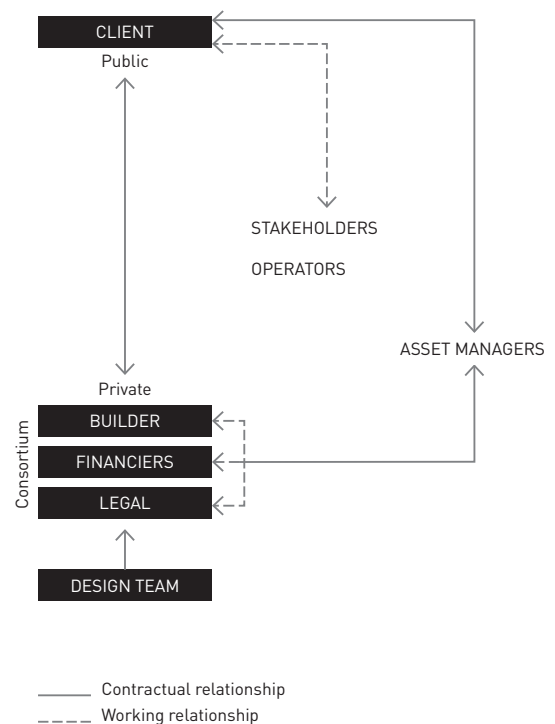
In many ways the strength of the design solution will be driven by the quality of the briefing documents, the quality of the design documentation at the completion of the bid phase, the quality of the design team, the adequacy of the budget and the will of all parties to create a quality design solution.

## ACTION TO BENEFIT GOOD DESIGN

Ensure there is a clear, well articulated vision for the project that includes expectations in relation to design / architectural quality.

- Establish, before the bidding process, a detailed and robust Reference Design that has been developed through a close working relationship between the client and an architect.
- Place emphasis on design quality in the initial briefing and Request for Proposal documentation.
- Ensure that the bidding process is not rushed, allowing sufficient time between the selection of the preferred bidder and financial close to negotiate excellent design outcomes.
- Ensure that the briefing documents emphasise to the bidding teams the importance of engaging expert design architects.

- Require an appropriately detailed set of drawings and documents as part of the bid submissions, to assist in evaluation and to enable the client to understand what levels of quality, functionality and performance is promised to be delivered
- Ensure a mechanism for end-user input into the briefing process and into any options-testing that may be undertaken in the bidding process.
- Conduct an interactive tender process with appropriate involvement from the Design Quality Review Team.
- Ensure a process that formalises design review workshops throughout the bidding process.



## CASE STUDY: ROYAL CHILDREN'S HOSPITAL, PARKVILLE

This project was delivered under a Public Private Partnership procurement model. In this model, the architectural team's client was the contractor, Bovis Lend Lease. The Children's Health Partnership was the winning consortium that included International Public Partnerships as equity holders, Bovis Lend Lease as builder, Spotless Group as facilities manager and architects Billard Leece, Bates Smart and HKS (US).

The Royal Children's Hospital is broadly a two-stage project. The 1st stage (greenfield component) includes the construction of the new hospital and was completed in November 2011. The 2nd stage involves demolition of much of the old hospital, construction of additional commercial elements, and the reinstatement of most of the former site as parkland. The following section relates primarily to the 1st stage.

The design and procurement processes were staged and aligned to ensure effective consultation and agreement prior to construction of each major package. User groups were assembled for some 80 departments (to resolve primarily functional issues), and reference groups established for whole of facility issues such as logistics and ITC. Design and procurement teams were also assembled for development of the façade and public places, interior design and base building documentation. Upon award of the contract, the construction team immediately took possession of the site to commence construction of the basements and north building packages.

### KEY INITIATIVES TO PROTECT THE DESIGN QUALITY

- The involvement of State's advisors/peer review and the OVGA.
- The preparation of design strategies up front, which could be fully scoped and measured and included in the capital cost.
- The preparation of concept sketches and renderings for interiors, which illustrated the design intent and quality.

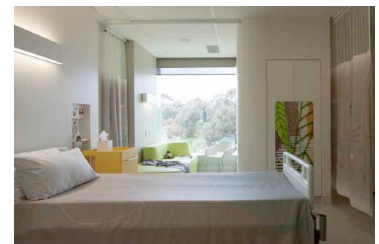
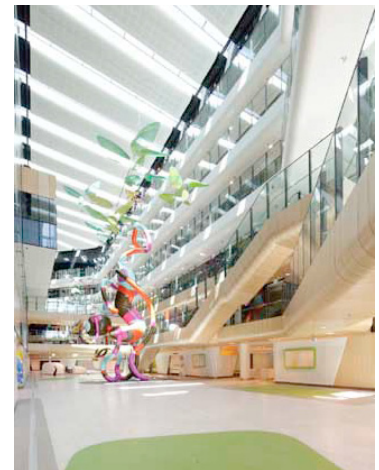
### CONSTRAINTS

- The Department of Health's guidelines were of benefit for describing generally compliant solutions, however, innovation beyond these was sometimes perceived as risky.

### WHAT WORKED WELL

- The vision components of the briefing documents remained a focus for the design team to ensure the aspirations were met.
- The determination of all parties to ensure a quality outcome to an iconic institution.
- The integration of artwork with the design and the inclusion of community partnerships (such as the zoo and the aquarium) added a level of design richness.
- The masterplan and expansion strategy was well considered and ensured a level of flexibility to accommodate change during the design process.
- Cores and structural grid were locked in early to allow an early start on site while detailed design progressed.

In 2012 the project won the Victorian Architecture Medal, the William Wardell Award for Public Architecture and a commendation for Interior Architecture at the Victorian Architecture Awards. It also received a national award for Public Architecture in 2012 from the Australian Institute of Architects, as well as numerous other National and International Awards.



Royal Children's Hospital, Parkville.

**Architects:** Billard Leece, Bates Smart and HKS (US)

**Photography:** John Gollings