

New Karolinska Solna University Hospital

Information Meeting PPP procurement
Stockholm Arlanda 3 October 2008

Information Meeting PPP procurement

Speakers

1. **Catharina Elmsäter-Svärd**, Stockholm County Council Finance Commissioner, Chairman Exec Board
2. **Stig Nyman**, Stockholm County Council Commissioner, Chairman R&D Committee
3. **Lennart Persson**, professor, Managing Director NKS Administration
4. **Lenka Medin**, Property & Technical Director NKS Administration
5. **Bengt Svensson**, Chief Architect White arkitekter AB
6. **Johan Sterndal**, Head of Business Development City of Solna
7. **Anna-Karin Oscarsson**, Healthcare Operations Director NKS Administration
8. **Erik Gjötterberg**, Administrative Director NKS Administration, Head of PPP project

New Karolinska Solna



Agenda

1. Introduction (CES)
2. Stockholm County Council vision (SN)
3. New Karolinska Solna (NKS) background and mission (LP)
4. NKS project concept (LM)
5. NKS design concept (BS)
6. Solna city business vision and plans (JS)
7. *Coffee break*
8. Clinical output specifications (AKO)
9. The NKS business opportunity (EG)
10. The procurement process and timetable (EG)
11. *Lunch*
12. Site visit Karolinska Solna

1. Introduction

Catharina Elmsäter-Svärd

Stockholm County Council Finance Commissioner,
Chairman Executive Board

2. Stockholm County Council background and vision

Stig Nyman

Stockholm County Council Commissioner,
Chairman R&D Committee

County Council = the regional level in Sweden

- 18 County Councils and two regions
- Responsible for healthcare, dental care and public transportation
- Own parliament – County Council Assembly
- Independent power of taxation and decision



Stockholm County Council - some key facts and figures

- 1,9 million inhabitants (+11% since 1998) in 26 municipalities
- Health care responsibility includes emergency care, primary care and dental care
- One university hospital (Karolinska) and five acute hospitals
- Public transportation responsibility includes subway, commuter trains and bus network
- Annual revenues of Euro 6,2 billion, whereof 80 percent tax
- Tax rate of 12,1 percent on taxable income
- 45 000 employees, whereof 90 percent healthcare
- S&P credit rating of AA+



Agenda

1. Introduction (CES)
2. Stockholm County Council vision (SN)
3. New Karolinska Solna (NKS) background and mission (LP)
4. NKS project concept (LM)
5. NKS design concept (BS)
6. Solna city business vision and plans (JS)
7. *Coffee break*
8. Clinical output specifications (AKO)
9. The NKS business opportunity (EG)
10. The procurement process and timetable (EG)
11. *Lunch*
12. Site visit Karolinska Solna

3. New Karolinska Solna University Hospital background and mission

Lennart Persson

Professor, Managing Director NKS Administration

New Karolinska Solna - a historical project

- Very high aspirations in terms of design and functionality
- The first major hospital construction project within the Stockholm region for 35 years
- The first hospital PPP in Scandinavia
- One of the largest hospital PPP in the world

History / time table

- 
- *First report identifying need of new university hospital 2001*
 - *The “3 S” report on new healthcare structure 2003 also concluding that a new university hospital is needed*
 - *County Council decision to continue planning and to arrange a design competition: June 2005*
 - *County Council Executive Board appoints winner of design competition: August 2006*
 - *County Council investment decision: April 2008*
 - *County Council PPP-decision: June 2008*

Several reasons for building a new hospital

Current Karolinska deficiencies

1. Spread out over some 40 buildings, with weak connections and logistics
2. Several facilities are old and not suitable for modern healthcare of the future
3. Very complicated and expensive to restore old buildings

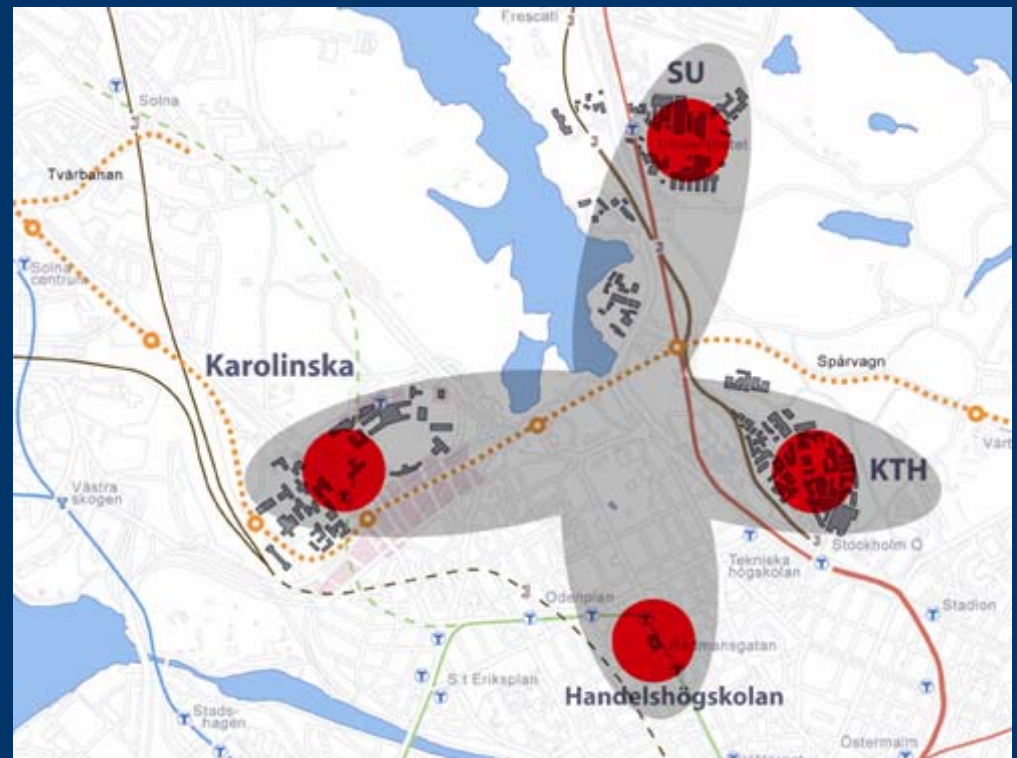


The three-fold mission

1. To be the hub of a regional and national medical care system which is internationally competitive
2. To Be a specialised hospital for the region concentrating on highly specialised care
3. To take a central role in the development of the region towards a bio-medically strong centre

New Karolinska Solna's mission

”Be the central hub of a regional, national and internationally competitive medical care system”



Some key facts of New Karolinska Solna

- Ca 600 hospital beds, whereof approx 200 ICU/postop, plus an additional ca 200 open area / patient hotel beds
- Single bed rooms
- Ca 1 600 – 1 800 visitors/day, whereof 10-20% acute
- About 6 000 employees and 1 000 researchers and students
- Total area not to exceed: 335 000 m²
- Including 40 000 m² research laboratories
- Total investment cost not to exceed: Euro 1,45 billion (SEK 14,1 billion)
- To be opened in December 2015

Agenda

1. Introduction (CES)
2. Stockholm County Council vision (SN)
3. New Karolinska Solna (NKS) background and mission (LP)
4. NKS project concept (LM)
5. NKS design concept (BS)
6. Solna city business vision and plans (JS)
7. *Coffee break*
8. Clinical output specifications (AKO)
9. The NKS business opportunity (EG)
10. The procurement process and timetable (EG)
11. *Lunch*
12. Site visit Karolinska Solna

4. NKS project concept

Lenka Medin

Property & Technical Director NKS Administration

Karolinska / North Station 2008



Karolinska / North Station 2008



NKS area

Design competition in 2006



Five contestants, one winner;
“Forum Karolinska” by White
Architects

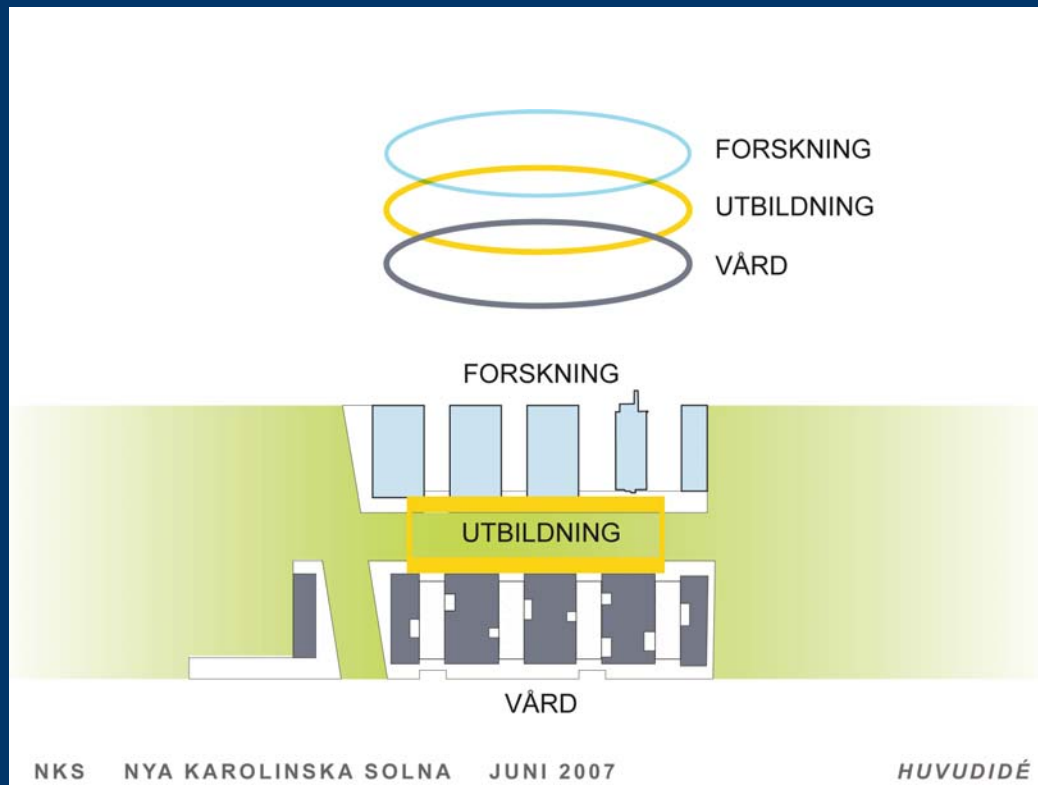


Design Competition - the Jury's choice

*“The jury finds the proposal **Forum Karolinska** to be superior. The proposal has a simple, effective and sustainable structural construction, superior inner logistics, a good inner environment, urban development qualities and an architectural design concept that on the whole provides the necessary conditions to be able to develop into a high-class facility.”*

Project goal 1:

- Integration between healthcare-research-education



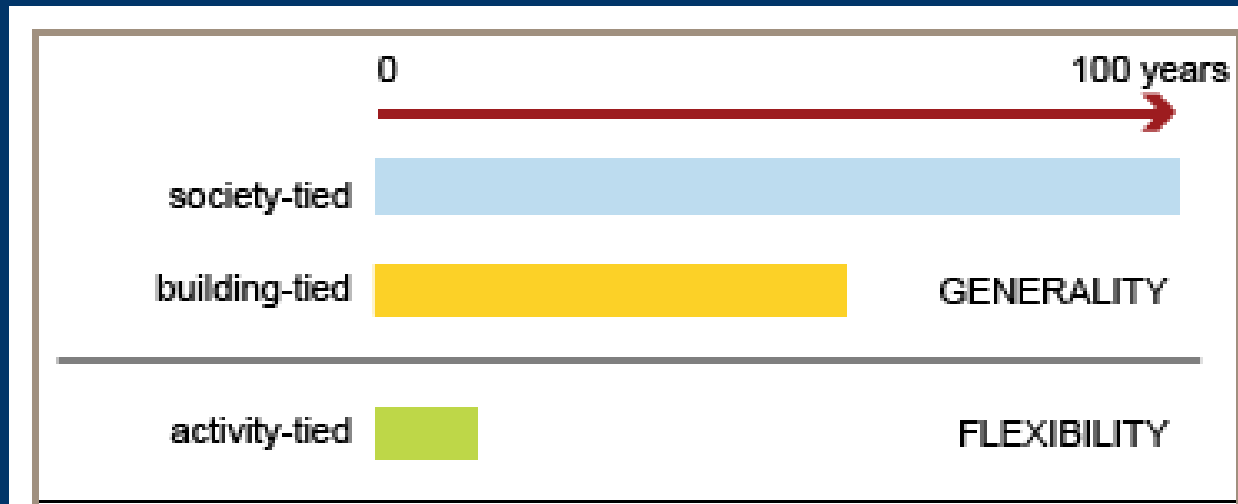
Project goal 2:

- Attractive and human environments for patients and staff



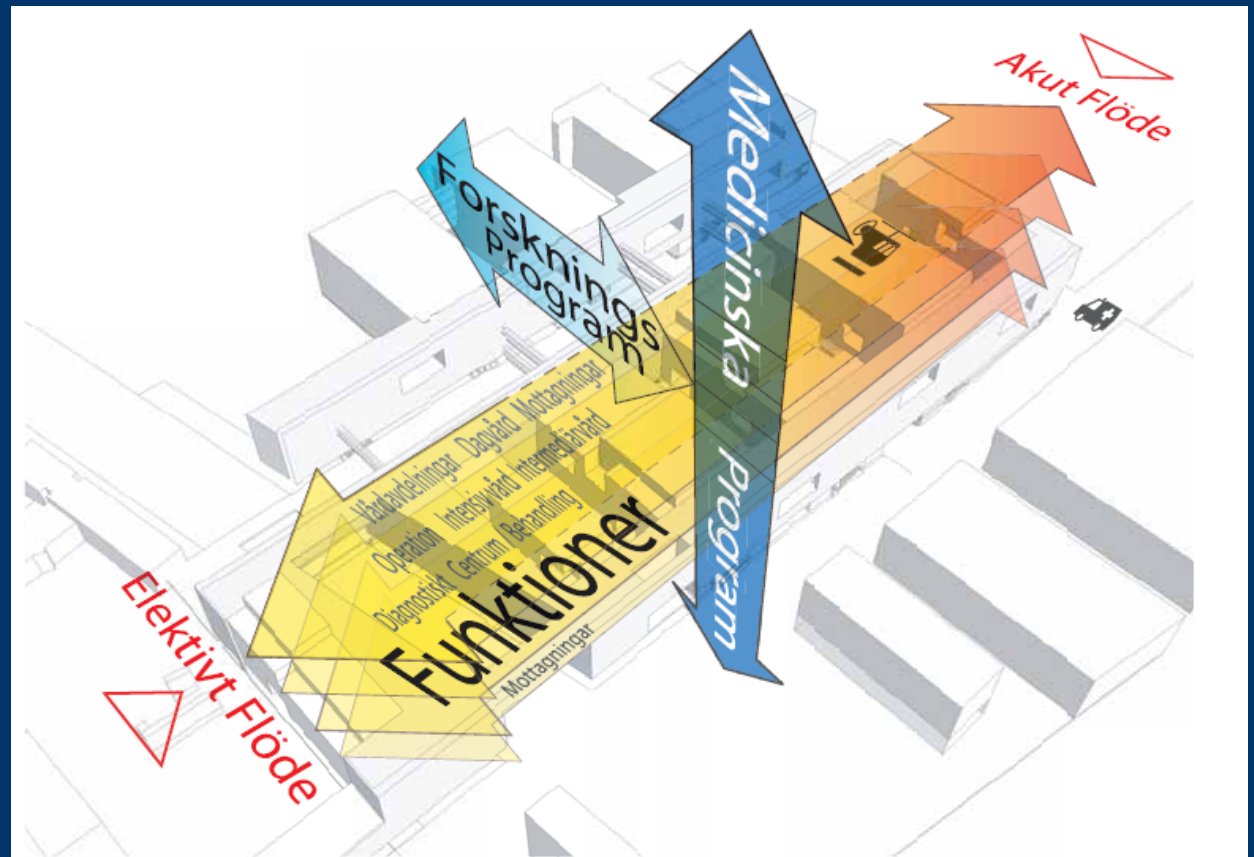
Project goal 3:

- General solutions that supports flexibility and relocations at low costs



Project goal 4:

- Effective patient flows and care processes



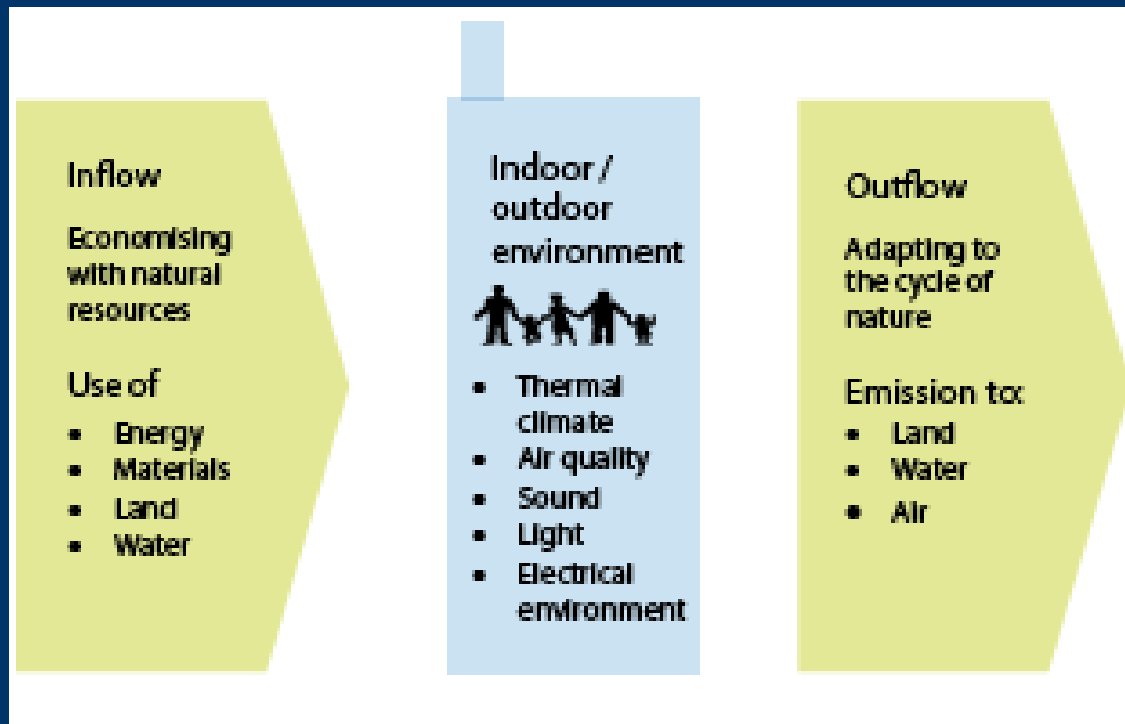
Project goal 5:

- The hospital shall have a prioritised and clear role in the city



Project goal 6:

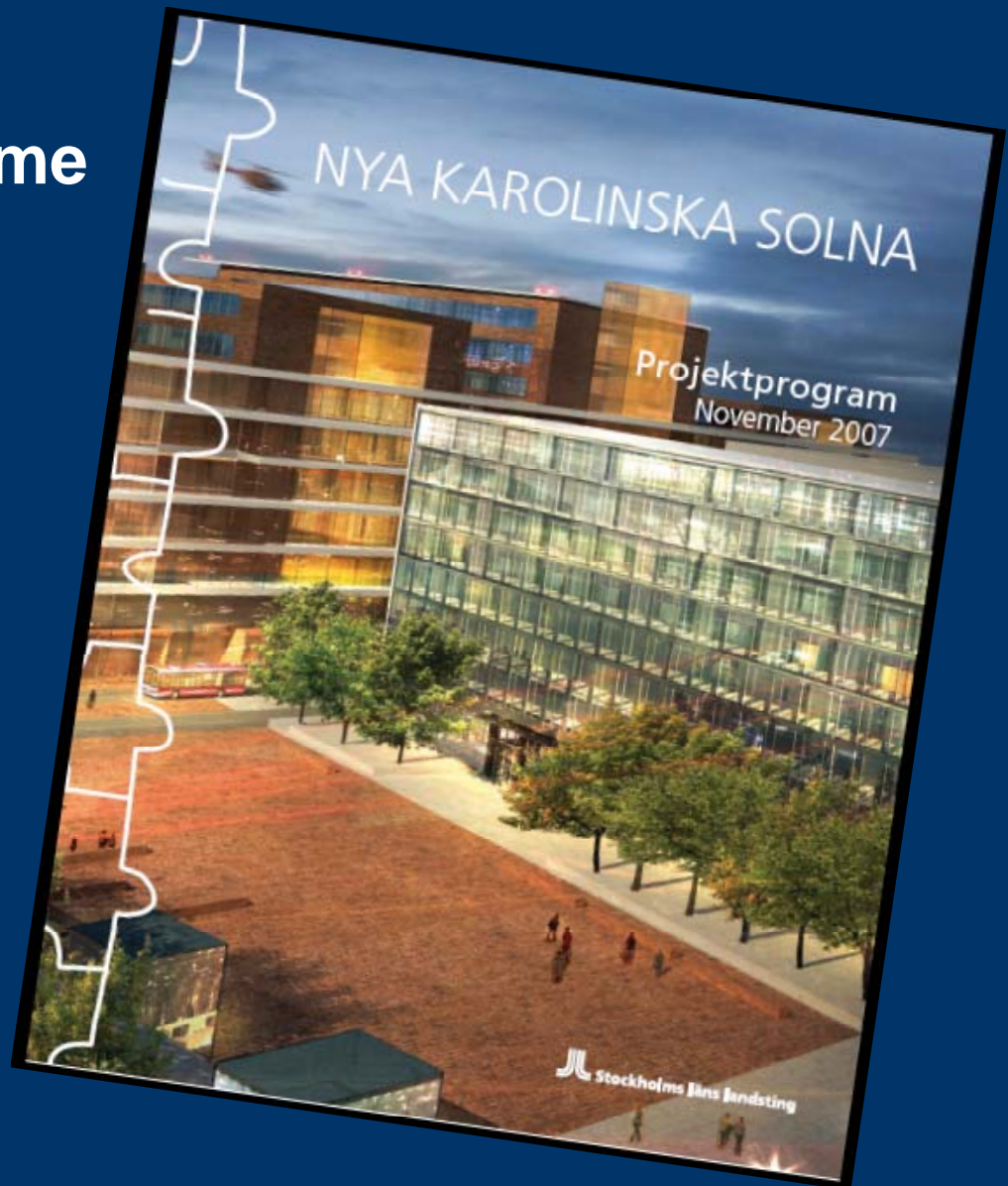
- Environmental sustainability at all levels



NKS Project Programme November 2007

- a project concept

County Council
Assembly Decision
in April 2008
according to Project
Programme



Agenda

1. Introduction (CES)
2. Stockholm County Council vision (SN)
3. New Karolinska Solna (NKS) background and mission (LP)
4. NKS project concept (LM)
5. NKS design concept (BS)
6. Solna city business vision and plans (JS)
7. *Coffee break*
8. Clinical output specifications (AKO)
9. The NKS business opportunity (EG)
10. The procurement process and timetable (EG)
11. *Lunch*
12. Site visit Karolinska Solna

5. NKS design concept

Bengt Svensson

Chief Architect White arkitekter AB

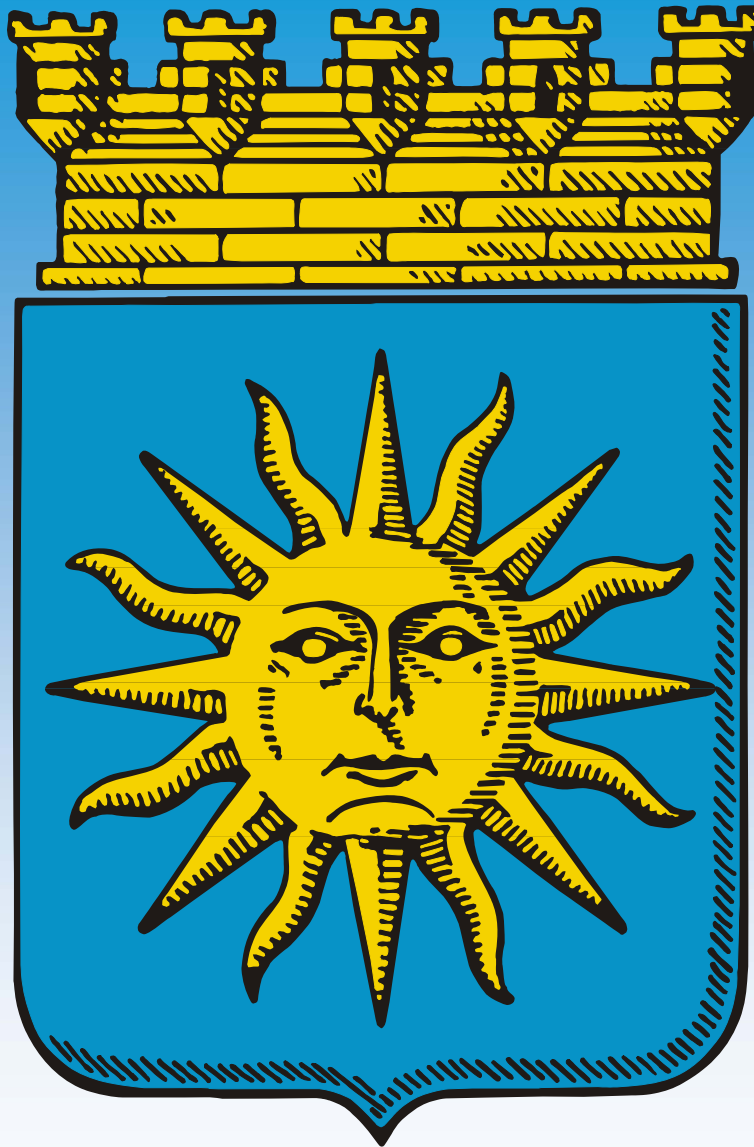
Agenda

1. Introduction (CES)
2. Stockholm County Council vision (SN)
3. New Karolinska Solna (NKS) background and mission (LP)
4. NKS project concept (LM)
5. NKS design concept (BS)
6. Solna city business vision and plans (JS)
7. *Coffee break*
8. Clinical output specifications (AKO)
9. The NKS business opportunity (EG)
10. The procurement process and timetable (EG)
11. *Lunch*
12. Site visit Karolinska Solna

7. Solna City business vision and plans

Johan T. Sterndal

Head of Industry and Commerce



SOLNA STAD



SOLNA STAD



TÄBY

ÖSTERÅKER

SOLLENTUNA

JÄRFÄLLA

VAXHOLM

STOCKHOLM

SUNDBYBERG

DANDERYD

SOLNA

LIDINGÖ

STOCKHOLM

EKERÖ

NACKA

MÄLAREN

Eds-viken

Stora Värtan

Lilla Värtan

Fågelön

Kungshatt

Saltsjöbadsleden

Sockertorpsvägen E4 E20

Näringsvägen E18

Enköpingsvägen

Västgölevägen

Viksleden

Åkeravägen

Kvinningsleden

Uppmarksavägen E4

Norrtullsvägen E18

Elfsviksvägen

Lövön

Kärsön

Ekensvågen

Höglandstorget

Älstens gård

Smedslätten

Midsommarkransen

Gullmarsplan

Skärmarbrink

Hammarbyhöjden

Storängen

Kallhäll

Järfvålet

Häggvik

Sollentuna

Heleneönd

Husby

Kista

Hjulsta

Tenista

Spånga

Rinkeby

Johannelund

Hasselby Gård

Hasselby Strand

Vällingby

Räcksta

Blackeberg

Islandstorget

Ångbyplan

Åkeshov

Nockeby torg

Olovstund

Höglandstorget

Älstens gård

Mälardalshöjden

Bredäng

Såtra

Västerörp

Fruängen

Ömsberg

Aspudden

Hägerstensåsen

Telefonplan

Liljeholmen

Skanstull

Enskede Gård

Socknenplan

Horstull

Zinkensdamm

Skärmarbrink

Blåsut

Marioröret

Medborgarplatsen

Hammarbyhöjden

Björkhamnen

Stockholm S

Skanstull

Enskede Gård

Sandsborg

Gamla Stan

Slussen

Skärmarbrink

Hammarbyhöjden

Björkhamnen

Odenplan

Rådmanngatan

Stadshagen

St. Eriksplan

Stockholms C

Skanstull

Enskede Gård

Socknenplan

Stockholm Ö

Tekniska Högskolan

Stadshagen

St. Eriksplan

Stockholms C

Skanstull

Enskede Gård

Socknenplan

Universitetet

Universitetet

Stockholm Ö

Stockholms C

Skanstull

Enskede Gård

Socknenplan

Danderyds sjukhus

Stocksund

Universitetet

Universitetet

Stockholm Ö

Stockholms C

Skanstull

Enskede Gård

Socknenplan

Djursholms Ekeby

Djursholms Ösby

Universitetet

Universitetet

Stockholm Ö

Stockholms C

Skanstull

Socknenplan

Näsbypark

Näsby allé

Stocksund

Universitetet

Universitetet

Stockholm Ö

Stockholms C

Skanstull

Socknenplan

Täby Centrum

Näsbypark

Stocksund

Universitetet

Universitetet

Stockholm Ö

Stockholms C

Skanstull

Socknenplan

Galoppfältet

Täby Centrum

Djursholms Ekeby

Stocksund

Universitetet

Stockholm Ö

Stockholms C

Skanstull

Socknenplan

Näsbypark

Näsby allé

Stocksund

Universitetet

Stockholm Ö

Stockholms C

Skanstull

Socknenplan

Viggyholm

Näsbypark

Djursholms Ekeby

Stocksund

Universitetet

Stockholm Ö

Stockholms C

Skanstull

Socknenplan

Näsbypark

Näsby allé

Stocksund

Universitetet

Stockholm Ö

Stockholms C

Skanstull

Socknenplan

Hagens

Näsbypark

Djursholms Ekeby

Stocksund

Universitetet

Stockholm Ö

Stockholms C

Skanstull

Socknenplan

Näsbypark

Näsby allé

Stocksund

Universitetet

Stockholm Ö

Stockholms C

Skanstull

Socknenplan

Galoppfältet

Täby Centrum

Djursholms Ekeby

Stocksund

Universitetet

Stockholm Ö

Stockholms C

Skanstull

Socknenplan

Näsbypark

Näsby allé

Stocksund

Universitetet

Stockholm Ö

Stockholms C

Skanstull

Socknenplan

Viggyholm

Näsbypark

Djursholms Ekeby

Stocksund

Universitetet

Stockholm Ö

Stockholms C

Skanstull

Socknenplan

Näsbypark

Näsby allé

Stocksund

Universitetet

Stockholm Ö

Stockholms C

Skanstull

Socknenplan

Hagens

Näsbypark

Djursholms Ekeby

Stocksund

Universitetet

Stockholm Ö

Stockholms C

Skanstull

Socknenplan

Näsbypark

Näsby allé

Stocksund

Universitetet

Stockholm Ö

Stockholms C

Skanstull

Socknenplan

Galoppfältet

Täby Centrum

Djursholms Ekeby

Stocksund

Universitetet

Stockholm Ö

Stockholms C

Skanstull

Socknenplan

Näsbypark

Näsby allé

Stocksund

Universitetet

Stockholm Ö

Stockholms C

Skanstull

Socknenplan

Viggyholm

Näsbypark

Djursholms Ekeby

Stocksund

Universitetet

Stockholm Ö

Stockholms C

Skanstull

Socknenplan

Näsbypark

Näsby allé

Stocksund

Universitetet

Stockholm Ö

Stockholms C

Skanstull

Socknenplan

Hagens

Näsbypark

Djursholms Ekeby

Stocksund

Universitetet

Stockholm Ö

Stockholms C

Skanstull

Socknenplan

Näsbypark

Näsby allé

Stocksund

Universitetet

Stockholm Ö

Stockholms C

Skanstull

Socknenplan

Galoppfältet

Täby Centrum

Djursholms Ekeby

Stocksund

Universitetet

Stockholm Ö

Stockholms C

Skanstull

Socknenplan

Näsbypark

Näsby allé

Stocksund

Universitetet

Stockholm Ö

Stockholms C

Skanstull

Socknenplan

Viggyholm

Näsbypark

Djursholms Ekeby

The Key Figure

1 – 1 – 4 – 2 – 1



More jobs than inhabitants

- 64 700 inhabitants
- 8 500 companies
- 65 000 work places
- 1,05 work places per inhabitant (Stockholm 0,80, Frankfurt 0,92, Manhattan 1,70)
- 75 000 daily commuters –
55 000 travel in and 20 000 out every day



Strategic regional position

- Close to two international airports
- Two national motorways junction
- Two commuter train stations
- Part of Stockholm metro network
- Part of Stockholm metropolitan area
- 10 min to Stockholm City



City of construction

Under development:

- University and university hospital area
- National arena for football
- Mall of Scandinavia – Scandinavia's biggest shopping centre with a mall area of 100 000 sqm
- Five new city districts



Life Science in Solna

- Karolinska Institutet (KI) – Top medical university with the Nobel Prize awards
- Karolinska Hospital – Leading university hospital
- Expansion life science district in connection to the hospital and the KI area
- Science Park, Life Science companies and world class research forms strong life science cluster



Contact

Mr. Johan T. Sterndal
Head of Industry and Commerce

Tel: +46 – 8 – 734 23 85

Mob: +46 – 706 – 42 64 43

E-Mail: johan.sterndal@solna.se



Agenda

1. Introduction (CES)
2. Stockholm County Council vision (SN)
3. New Karolinska Solna (NKS) background and mission (LP)
4. NKS project concept (LM)
5. NKS design concept (BS)
6. Solna city business vision and plans (JS)
7. *Coffee break*
8. Clinical output specifications (AKO)
9. The NKS business opportunity (EG)
10. The procurement process and timetable (EG)
11. *Lunch*
12. Site visit Karolinska Solna

8. Clinical output specifications

Anna-Karin Oscarsson

Healthcare operations Director NKS Administration

NKS – Clinical output specifications

- NKS administration is an independent unit in SCC
- Independent project organisation collaborating with all Stockholm Hospital units
- Project leaders employed by NKS administration
- 20 major project groups and a great number of subgroups
 - Members (leading physicians, nurses, academicians etc) from Karolinska University Hospital and Karolinska Institutet
 - Expert support via PWC and EC Harris consultants

Specifications for (examples)

Intensive care

Operating theatres

Imaging

Laboratory

Education

R&D (together with Karolinska Institutet)

Emergency unit

Delivery unit

Wards and patient rooms



What is important?

- **Clinical output specifications (reference hospital)**
 - Human patient environment
 - Patient integrity and safety
 - Enable effective patient care processes
 - Flow of patient activities, chain of events, physical relations between various activities (e.g. radiology - intensive care - operating theaters)

What is unique?

- “Transform do not Transfer” a basic principle
- Not only a new hospital building, but also a new organization and new clinical concepts (“lean-concept”)
- A new mission and clinical content, ad a hub to the Stockholm Healthcare System



Agenda

1. Introduction (CES)
2. Stockholm County Council vision (SN)
3. New Karolinska Solna (NKS) background and mission (LP)
4. NKS project concept (LM)
5. NKS design concept (BS)
6. Solna city business vision and plans (JS)
7. *Coffee break*
8. Clinical output specifications (AKO)
9. The NKS business opportunity (EG)
10. The procurement process and timetable (EG)
11. *Lunch*
12. Site visit Karolinska Solna

9. The NKS business opportunity

Erik Gjötterberg

Administrative Director NKS Administration,
Head of PPP project

Our rationale for doing a PPP

Benefit	Example of drivers
Certainty to cost	<ul style="list-style-type: none">• Private sector has the necessary experience• Risks allocated to best party to manage it• Long-term contract
Certainty to delivery	<ul style="list-style-type: none">• Strong incentives for private sector to deliver• Private sector has the necessary experience
Better value	<ul style="list-style-type: none">• Design and technical innovation• Life-cycle cost considerations

The PPP overall scope



- New Karolinska Solna:
 - World class university hospital with app. 600 in-patient beds
 - Max: 335 000 m²
 - Max: Euro 1,45 billion
- A patient hotel with app. 100 beds (or more)
- A parking garage with app. 1 200 places (or more)

Finance NKS

- Expect traditional Project Finance structure
- The project agreement and related payment from SCC will be modeled upon precedent projects in UK and elsewhere
- Risk allocation in Project Agreement will reflect funding structure
- SCC recognizes the current uncertainty in the financial markets – will keep close watch as project develops

Operate NKS

- Contract length of at least 30 years from financial close
- In principle all hard Facility Management services
- Most soft Facility Management services included (not catering)
- Clinical services not included
- Medical equipment not included

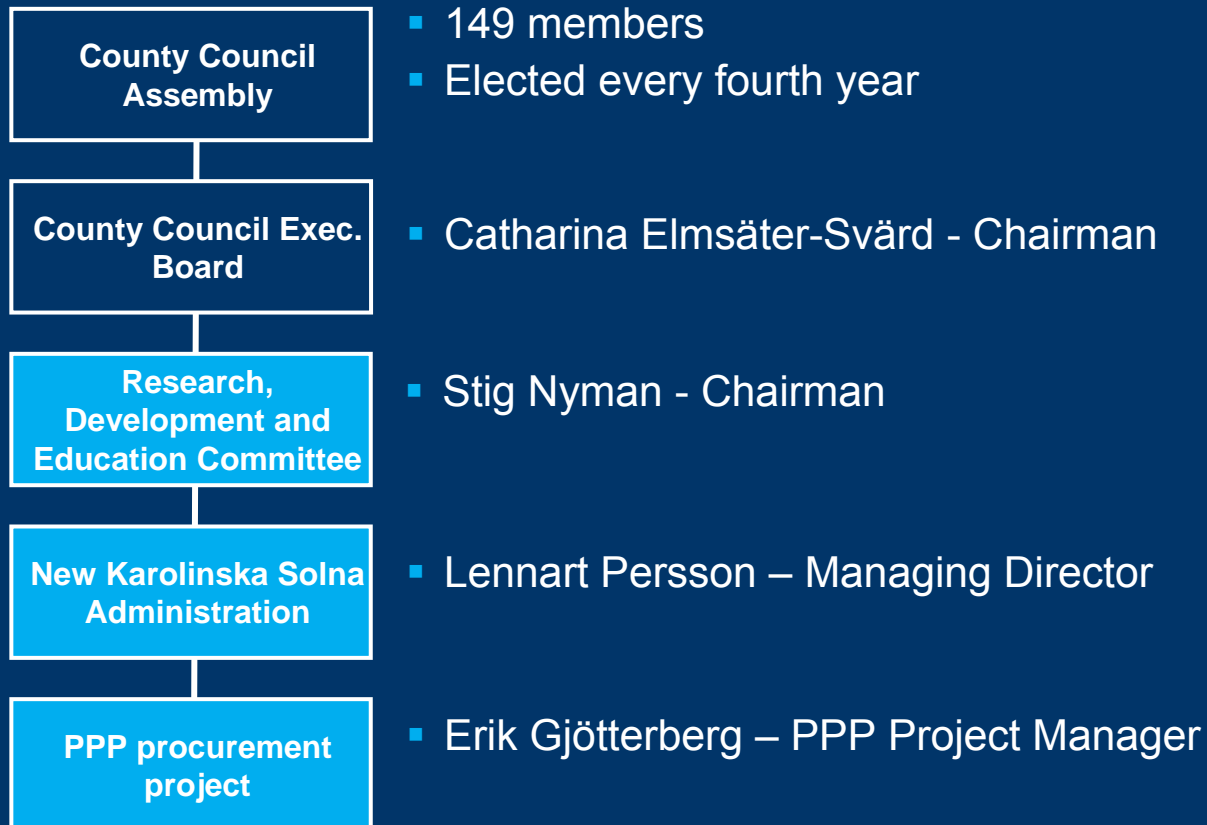
The NKS business case

- Large contract (both in terms of construction and FM-services)
- State-of-the-art ambition in all dimensions; global recognition
- Low counterparty risk
- Decision and budget in place
- Entry to Nordic PPP-market

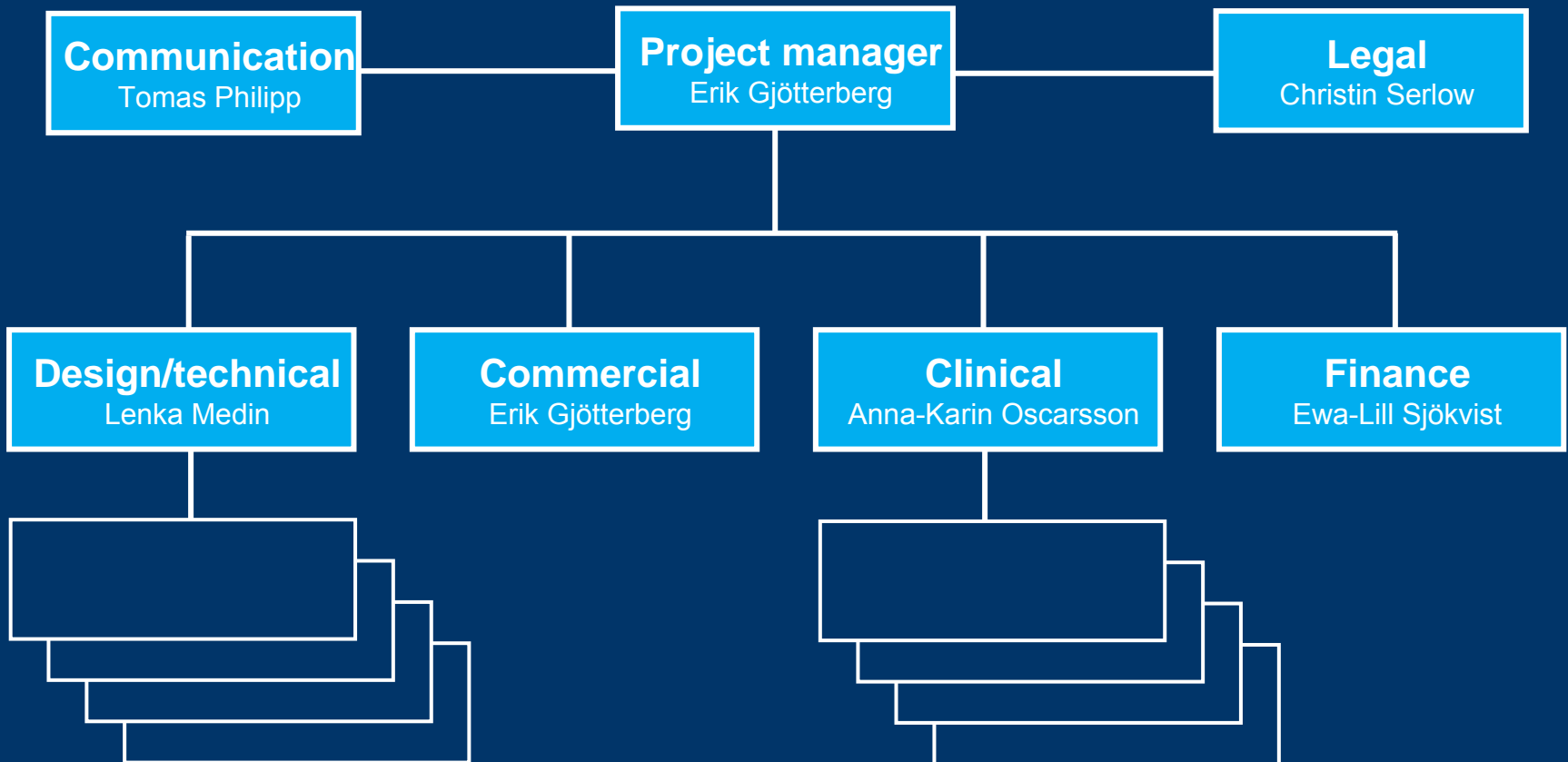
Agenda

1. Introduction (CES)
2. Stockholm County Council vision (SN)
3. New Karolinska Solna (NKS) background and mission (LP)
4. NKS project concept (LM)
5. NKS design concept (BS)
6. Solna city business vision and plans (JS)
7. *Coffee break*
8. Clinical output specifications (AKO)
9. The NKS business opportunity (EG)
10. The procurement process and timetable (EG)
11. *Lunch*
12. Site visit Karolinska Solna

NKS PPP governance structure



PPP procurement organization



The advisor team

White

- White architects AB
- One of Europe's five largest architectural firms
- Team led by Bengt Svensson
- Winning bidder will have the opportunity to contract White for the implementation phase and thereby leveraging their project knowledge

PWC

- PricewaterhouseCoopers
- Commercial/financial advisor
- Team led by Paul da Rita (London) and Lars Tvede-Jensen (Stockholm)

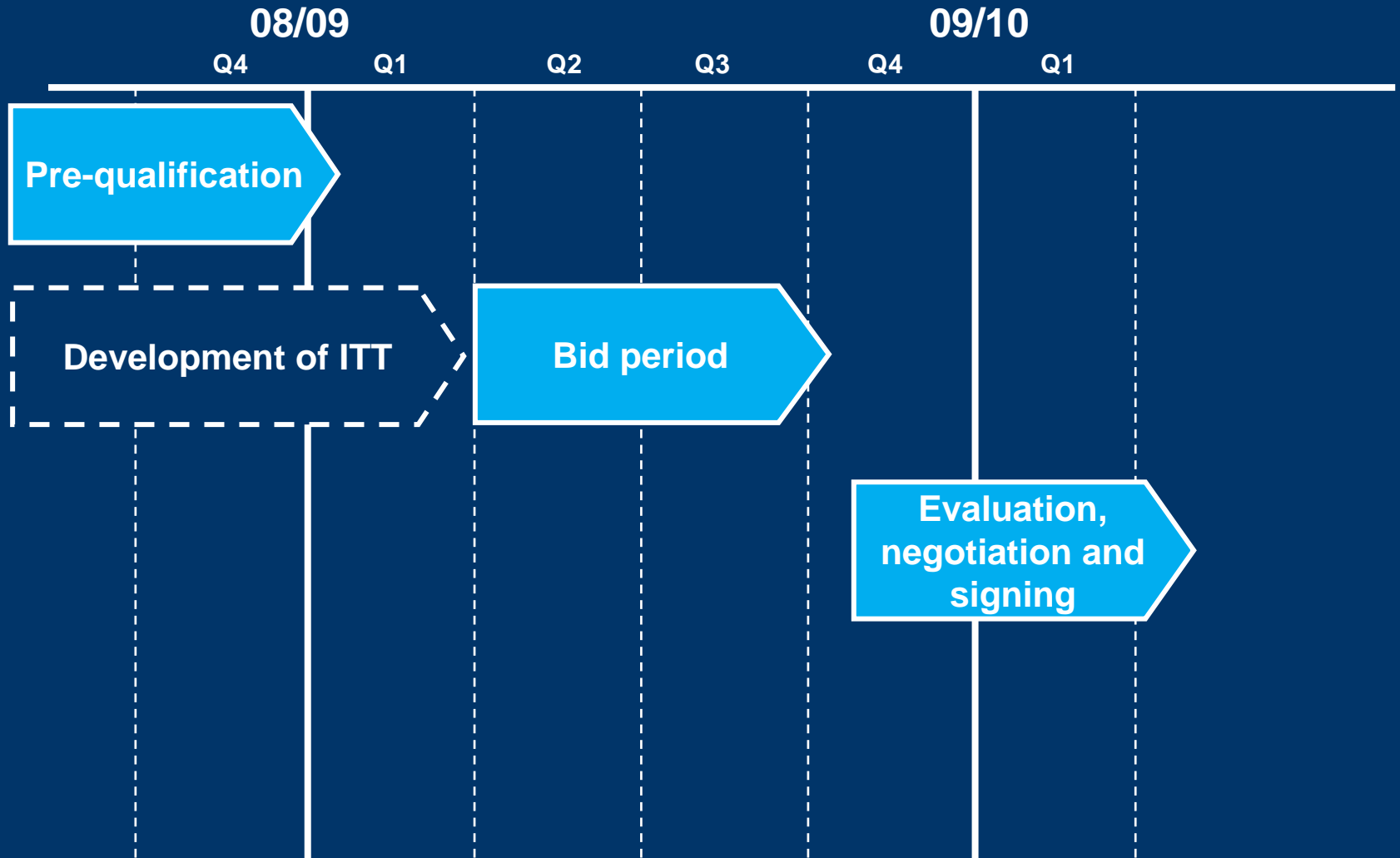
MSA

- Mannheimer Swartling Advokatbyrå AB
- Legal advisor
- One of Scandinavia's leading business law firms
- Team led by Jan Kansmark

Procurement process overall

- The Swedish Public Procurement act (LOU) will be applicable
- The negotiated procurement process will be applied
- A notice was sent to Official Journal for publication yesterday
- The process is expected to take 18 months and financial close is planned for April 2010
- A project agreement between SCC and PPP company/SPV, compliant with commonly recognized practice, is expected to constitute the key contract

The *indicative* time plan



First step - Pre-qualification

- The prequalification phase starts today!
- The pre-qualification questionnaire (PQQ) can be requested at www.nyakarolinskasolna.se
- Deadline for pre-qualification questionnaire submission is Monday December 15 CET 17.00
- SCC will invite three candidates to submit tenders after pre-qualification
- SCC will notify these three qualified candidates app. end of January

Pre-qualification evaluation criteria

Criteria	Weighting
1. Bidder overall	32,5 %
2. Construction	25,0 %
3. FM Services	15,0 %
4. Advisors	10,0 %
5. Implementation strategy	17,5 %
	100 %

Criteria 1. Bidder overall

Criteria	Weight
1. Bidder overall	32,5 %
2. Construction	25,0 %
3. FM Services	15,0 %
4. Advisors	10,0 %
5. Impl. strategy	17,5 %
	100 %

- Solid financials
- Experience from lead role in PPP-projects
- Hospital PPP experience
- Financing experience
- ...

Criteria 5. Implementation strategy

Criteria	Weight
1. Bidder overall	32,5 %
2. Construction	25,0 %
3. FM Services	15,0 %
4. Advisors	10,0 %
5. Impl. strategy	17,5 %
	100 %

- Implementation organization
- Cooperation with procurement body (NKS administration)
- Understanding of key issues and strategies to deal with them
- Quality system
- ...

Preliminary structure of invitation to tender (ITT) *

Volume	Comment
1. Overview	<ul style="list-style-type: none">• Overview of ITT and general issues (e.g. ITT evaluation process)
2. Clinical	<ul style="list-style-type: none">• Clinical output specifications
3. Design/technical	<ul style="list-style-type: none">• Design and technical output specifications
4. Hard FM	<ul style="list-style-type: none">• Hard facility management services output specifications (e.g. building maintenance)
5. Soft FM	<ul style="list-style-type: none">• Soft facility management services output specifications (e.g. laundry services)
6. Project agreement	<ul style="list-style-type: none">• Draft project agreement between SCC and PPP Company/SPV

* Both Swedish and English version will be developed. Swedish legal version

Some specific issues

1. Payment mechanism
2. Risk allocation
3. Demand risk
4. Special Purpose Vehicle (SPV)
5. Bidder interaction
6. Bid costs

New Karolinska Solna University Hospital

www.NyaKarolinskaSolna.se