

UP-PGH CANCER CENTER PPP PROJECT Project Brief

University of the Philippines-Philippine General Hospital
Manila, Philippines

May 2024



UP-PGH Cancer Center PPP – Project Summary

Project	<ul style="list-style-type: none"> UP-PGH Cancer Center PPP
Implementing Agency	<ul style="list-style-type: none"> University of the Philippines - Philippine General Hospital
Project Description	<ul style="list-style-type: none"> 300-bed cancer hospital providing international quality comprehensive inpatient and outpatient cancer treatment, including radio-oncology, imaging and radiology, medical oncology, and surgical oncology located within UP-PGH's Metro Manila campus Under a 30-year Build-Transfer-Operate (BTO) PPP concession the private partner will: <ul style="list-style-type: none"> Design, finance, construct, and commission a new standalone hospital building Provide major medical equipment (initial and partial replacement), minor equipment (initial), non-medical equipment, and furniture and fixtures for the PGH Area. Provide all medical equipment for the Private Area. Undertake maintenance, facilities management and non-clinical services to the entire hospital (including: services management / help desk, catering, cleaning and housekeeping, linen and laundry, porter, biomedical waste management, security, facility maintenance, landscaping, car parking, pest control, equipment maintenance, and IM&T) <ul style="list-style-type: none"> Provide all clinical services to private self-paying patients in a dedicated 150-bed Private Area UP-PGH will provide all clinical services free of charge to sponsored patients in a dedicated 150-bed PGH Area The winning bidder will be competitively selected based on the lowest proposed Annual Payment for Year 1 of operations. The Annual Payment will be indexed to an inflation metric. Revenues from clinical services provided to private self-paying patients as well as other relevant commercial activities (parking, F&B, retail, etc.) aim to allow the private partner to propose a lower Annual Payment
Procurement Mode	<ul style="list-style-type: none"> Solicited
PPP Structure	<ul style="list-style-type: none"> Build Transfer Operate (BTO)
Cooperation Period	<ul style="list-style-type: none"> 30 years
Region	<ul style="list-style-type: none"> National Capital Region, Philippines
Sector	<ul style="list-style-type: none"> Hospitals & Healthcare
Status	<ul style="list-style-type: none"> Approved by NEDA Board Feb 2, 2023. Updated Parameters, Terms and Conditions approved April 25, 2024

UP-PGH Objectives

UP-PGH Cancer Center PPP

UP-PGH is developing as a Public Private Partnership (PPP) a 300-bed dedicated cancer hospital in its Metro Manila campus, with half of all beds providing treatment to underprivileged Filipinos

Bring to fruition the 20-Year UP-PGH Masterplan

Narrow the current significant cancer infrastructure gap, in line with the ambitions of the 2019 National Integrated Cancer Care Control Act

Develop a precedent for private sector cooperation and coordination in health PPPs

Increase access to affordable, international quality, comprehensive cancer treatment

Context

Cancer is Affecting an Increasing Number of Filipinos

- Cancer is the **2nd leading cause of death** in the Philippines
- **Incidence and mortality** estimated to grow at **2.7% and 3% to 2040** (CAGR)

Address Infrastructure Gaps in Facilities & Equipment

- **Large gap in Philippines and NCR region for radio oncology equipment** - ~20 additional LINACs needed today in NCR to meet estimated current demand, and rising
- **1,800 cancer beds needed in NCR by 2030** to meet demand



Dedicated Oncology Hospital in the NCR



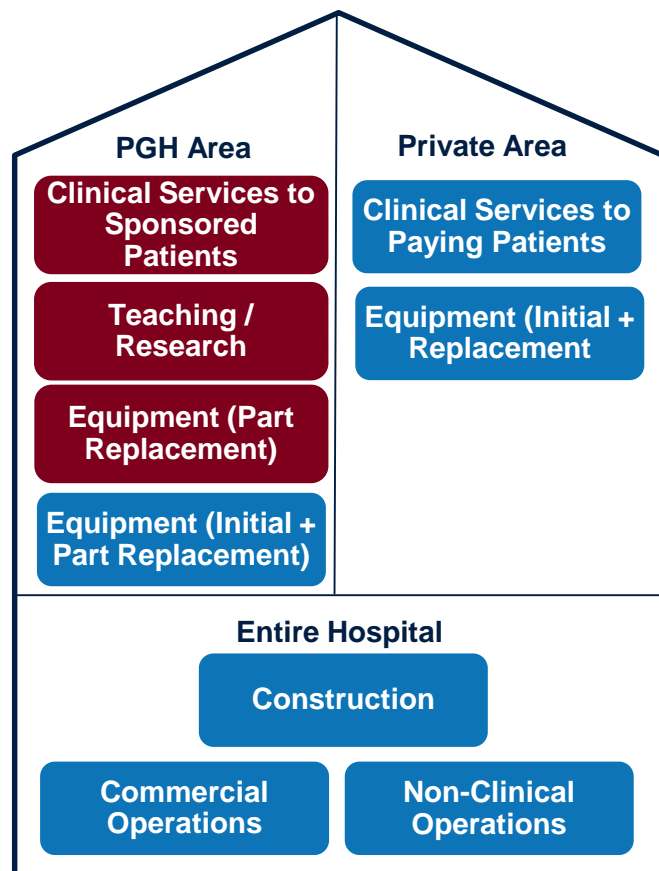
UP-PGH Needs to Expand its Capacity to Meet Demand

- There are **~400%** as many cancer patients as there are **Cancer Institute beds**
- **UP-PGH** treats **70,000** outpatients for cancer each year

Improved Cancer Control is a National Priority

- **National Cancer Prevention and Control Act (2019)** identifies the need for dedicated, integrated cancer centers
- The Act **identifies the use of PPPs** to deliver cancer care infrastructure and improved oncological services

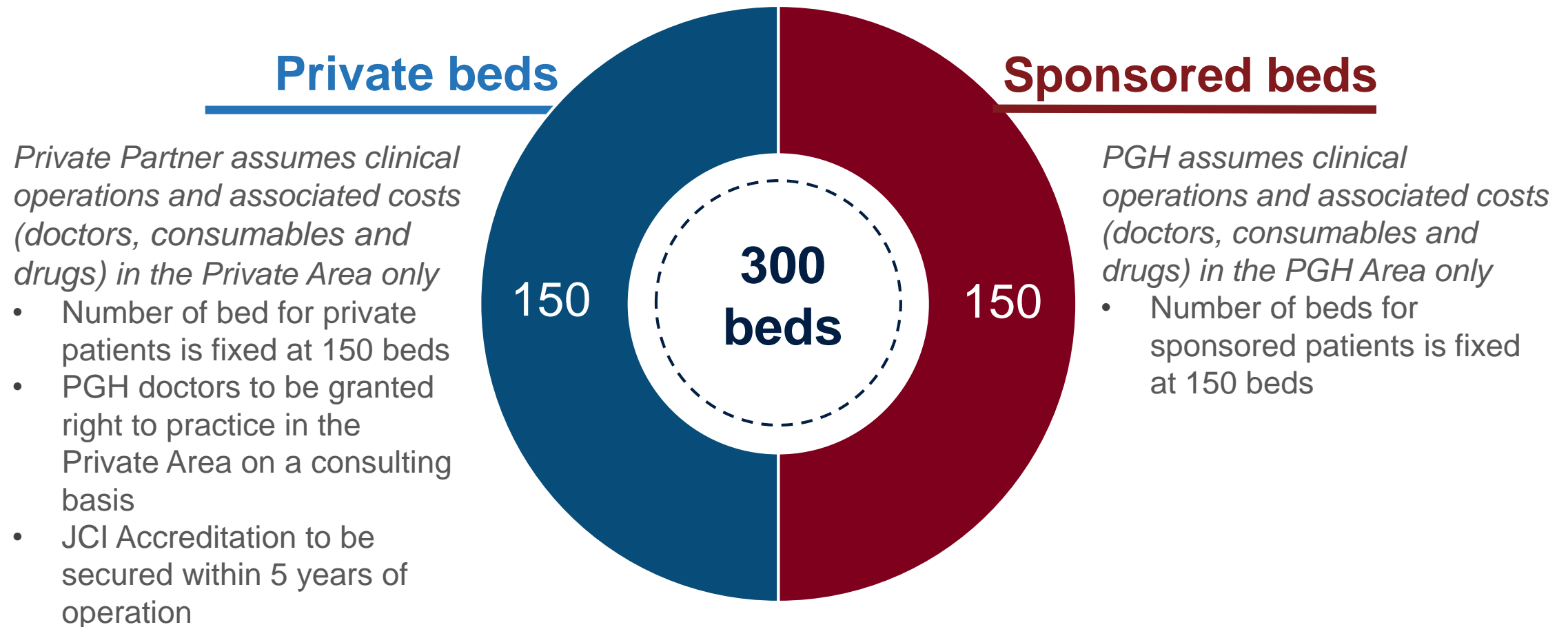
PPP Structure: 30-Yr Build-Transfer-Operate (BTO) Mixed PPP under the PPP Code



- **Design, Financing, Construction, and Commissioning** for the entire hospital building to be completed by the Private Partner
- **Clinical services:** Two independently managed distinct areas within the same hospital building -
 - PGH Area for sponsored patients managed by UP-PGH
 - Private Area for private self-paying patients managed by the Private Partner, who retains full demand risk and revenues earned

→ *Sharing of certain discreet services, clinical support spaces and equipment may be introduced subject to consultation and agreement with bidders*
- **Equipment:**
 - PGH Area all initial equipment provided and maintained, and partially replaced by the Private Partner
 - Private Area all managed by the Private Partner
- **Non-clinical services (cleaning, laundry, catering, security, facilities maintenance, help desk, landscaping, pest control, etc.)** managed by the Private Partner
- **Commercial activities** (F&B, etc.) managed by the Private Partner
- **Teaching** through curriculum provided by UP-PGH in the PGH Area, with observation learning only within Private Area

Patient Mix – 150 Sponsored beds + 150 Private beds



Sizing and Scope

Plot Size ~3000 m²

Floor Size ~2200 m²

~ 25 storey building

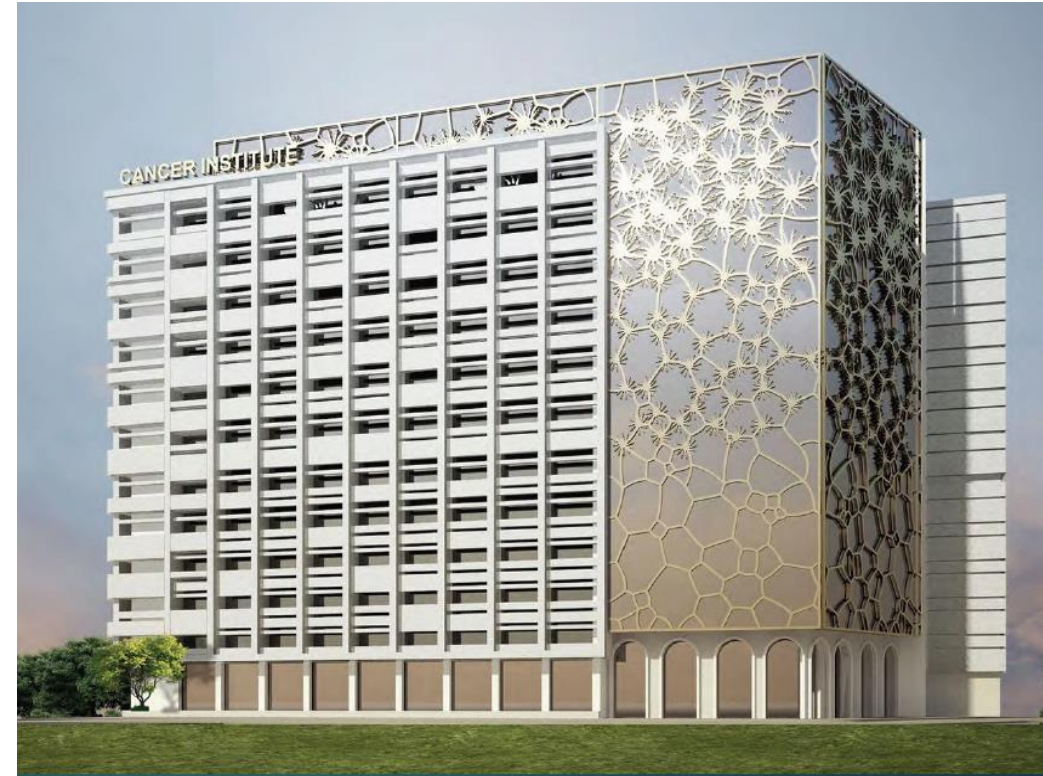
~350 parking spaces

Up to 1000m² commercial

International standards for space requirements

Fully air conditioned with modern MEP systems.

- **Radiation oncology** (LINAC, Brachytherapy)
- **Imaging & Diagnostics** (PET-CT, X ray, USG, Gamma Camera, CT scan, MRI, Mammo)
- **Pathology** (Histo/Cyto, PCR, NGS)
- **Medical oncology** (Chemotherapy)
- **Surgical Oncology** (OT's, Endoscopy, ICU)
- **Support PGH teaching & research**



Indicative rendition only. Private Partner to propose design in accordance with PGH Master Plan guidelines

Indicative Design and Equipment Specifications

PGH Area: Detailed minimum performance standards and specifications defined
Equipment Purchase and Replacement responsibilities

Equipment	Initial	Interim Cycles	Last Cycle
Major Medical	Private	Private	UP-PGH
Minor Medical	Private	UP-PGH	UP-PGH
Non-Medical	Private	Private	Private
Fixtures	Private	Private	Private
Fittings	Private	Private	Private

Equipment specifications (fully detailed in the tender, exemplar summary below)

Equipment	Specification
Radiation Oncology	
Linear Accelerator	High Energy, dual modality, 2D, 3DCRT, IMRT, VMAT, SBRT, and SRS capable, CE/FDA marked
Brachytherapy	HDR, 24 channel, c/w brachy TP & USG, CE/FDA marked
Imaging and Diagnostics	
X ray	Fully digital FPD system, =>65kw, with bucky stand
PET-CT	Bore 70-80cm, 64 slice CT, 10,000+ crystals, NEMA compliant, CE/FDA marked
Mammography	Fully digital, FPD, 25-35kv, 10 lp/mm res. CE/FDA marked
CT scan	128 slice, >70cm bore, =>80Kw, CE/FDA marked
MRI	1.5T, =>60-70cm bore, c/w coils & required software

Private Area: Full flexibility granted on service scope and equipment selection, replacement schedule, and financing. All managed by the Private Partner

Floor	Indicative Layout
Roof	Plant Space
24	Private Inpatient Wards
23	Private Inpatient Wards
22	Private Inpatient Wards
21	Private Inpatient Wards
20	Interstitial Plant Room / Clinical Services
19	Clinical Services
18	Clinical Services
17	Clinical Services
16	Clinical Services
15	Clinical Services
<i>Private Provision above this floor</i>	
14	Public Inpatient Wards
13	Public Inpatient Wards
12	Public Inpatient Wards
11	Interstitial Plant Room / Clinical Services
10	Clinical Services
9	Clinical Services
8	Clinical Services
7	Clinical Services
6	Clinical Services
5	Clinical Services
4	Clinical Services
3	Car Parking
2	Car Parking
1	Car Parking
0	Public LINAC Bunker, Main Entrance, Ramp
-1	Sewerage Treatment Plant

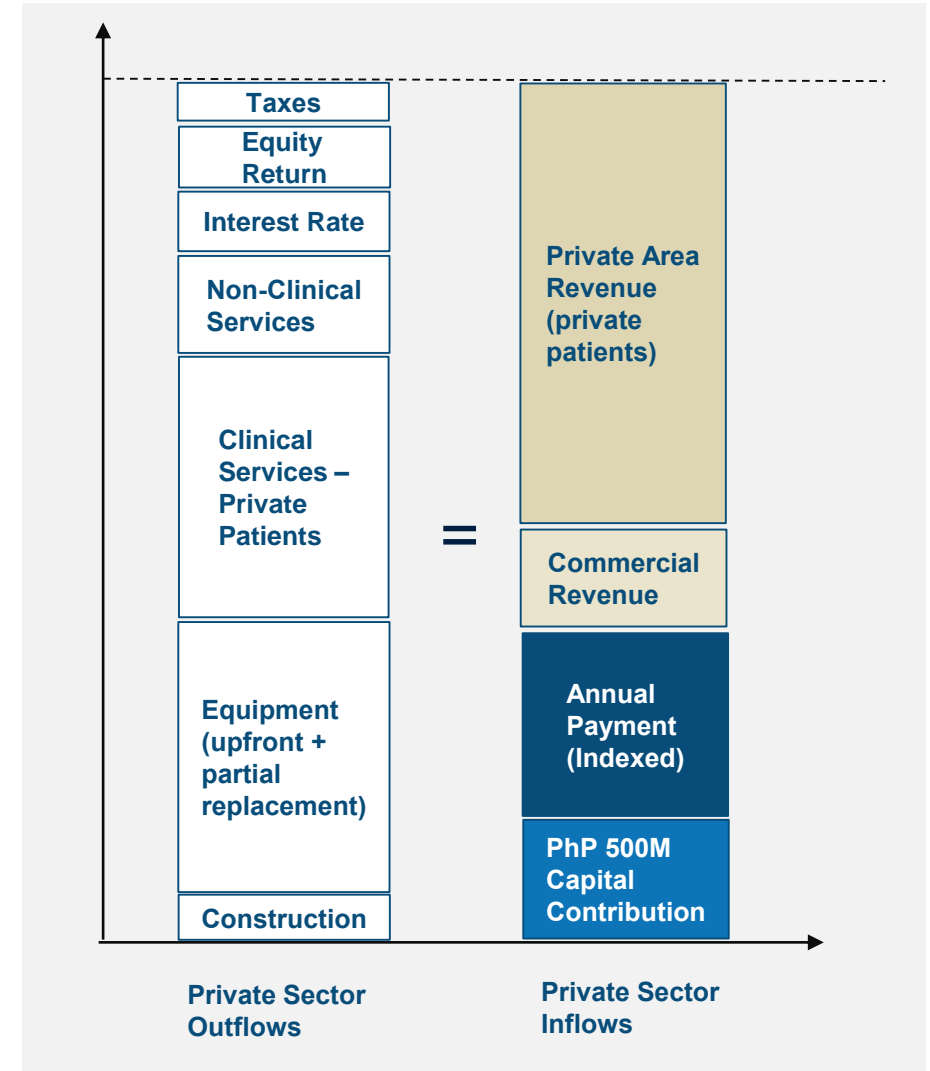
Private Partner Payment Scheme

Construction:

- **PhP 500 million** milestone-based capital contribution from UP-PGH provided in equal installments over 3 years to support funding of construction and initial equipment

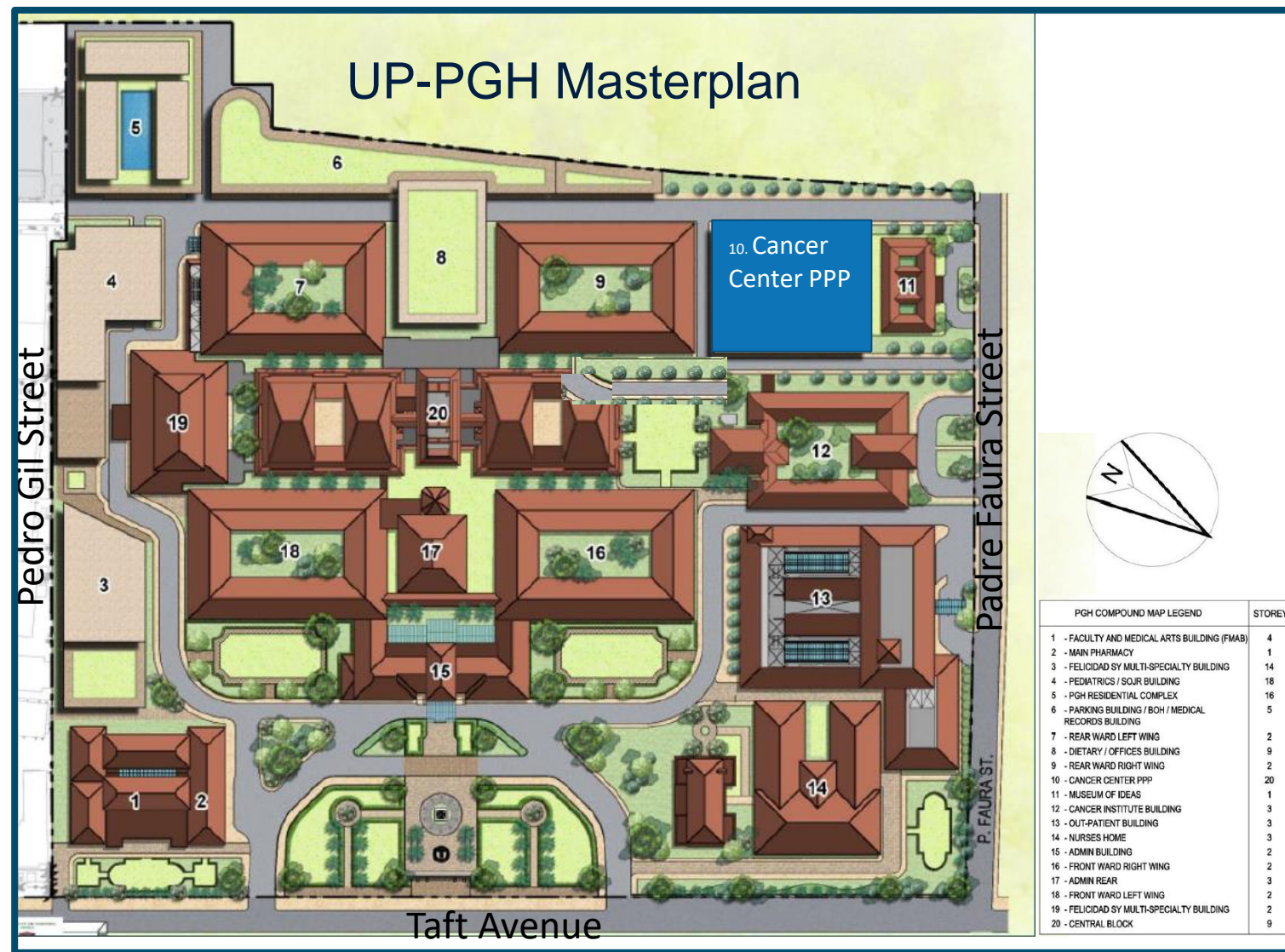
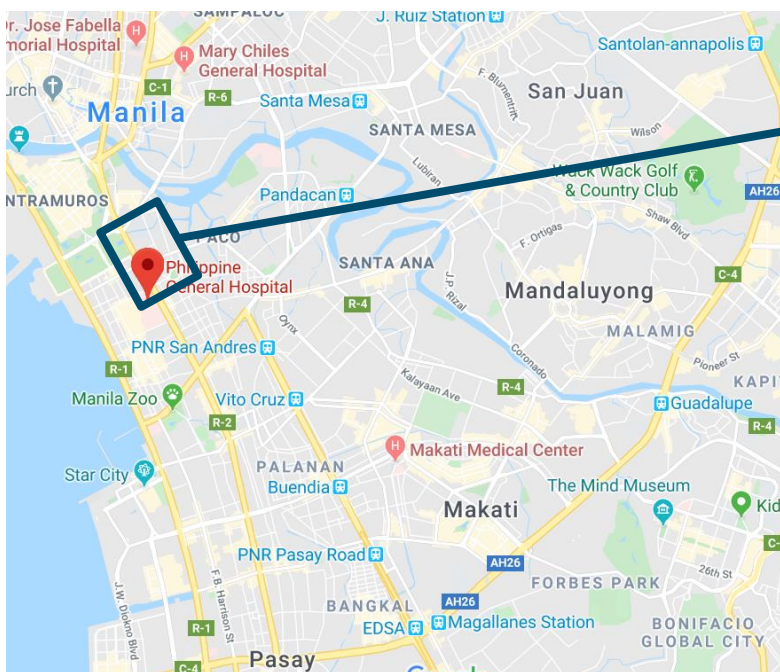
Operations:

1. **Annual Payment** from UP-PGH to the Private Partner for repayment of provided infrastructure, equipment and non-clinical services over the operating period. *AP will be indexed annually to an inflation-linked metric.*
2. **Private Area self-paying private patient revenues**
 - a. PhilHealth social insurance
 - b. Private insurance
 - c. Out of pocket
3. **Commercial activities** including food & beverage, parking, and convenience stores, etc.

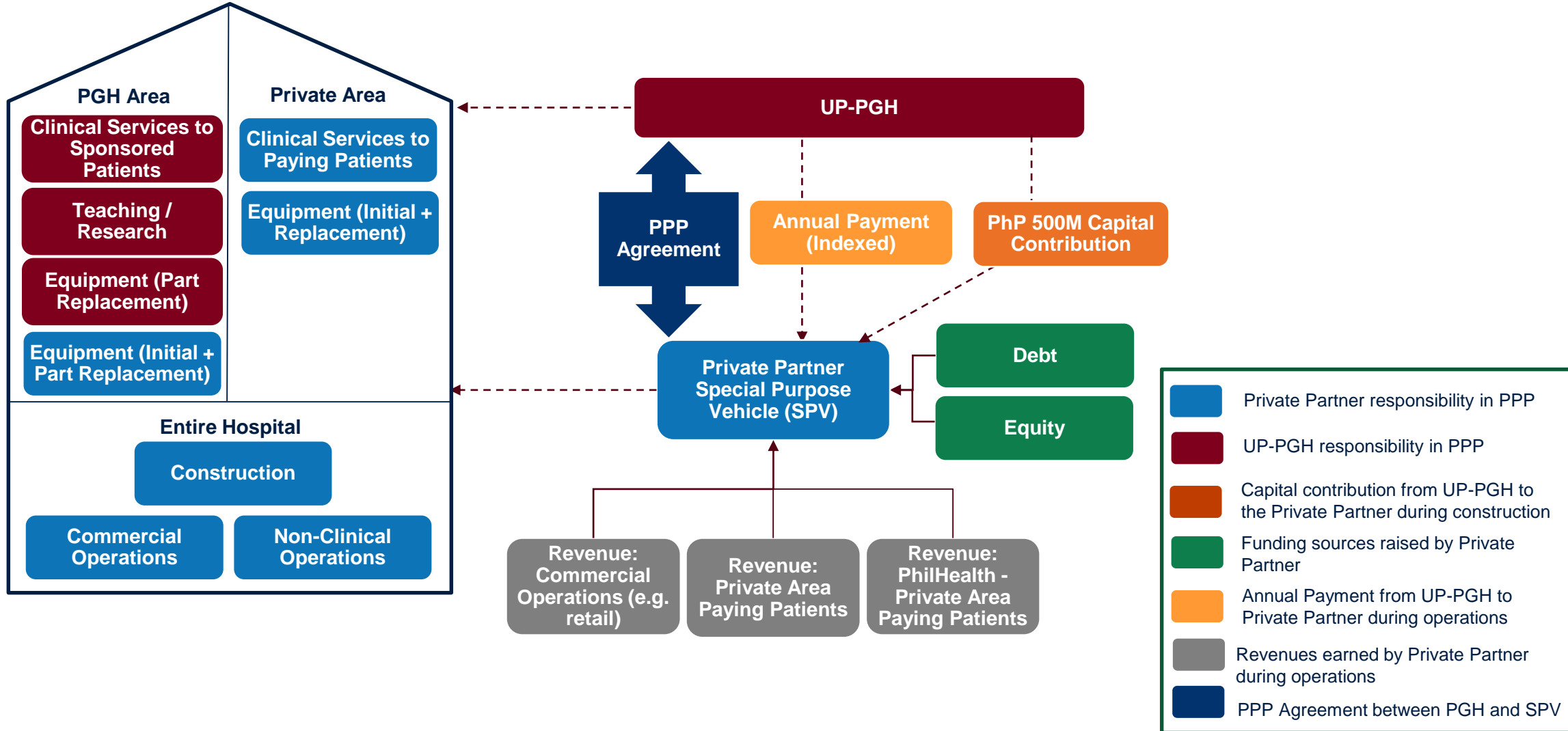


Location – PGH Metro Manila Campus

- Earmarked plot within PGH campus in Ermita, Metro Manila, corner Padre Faura Street (14° 34'42.4"N 120° 59'04.0"E)
- Land owned by PGH
- Site provided by PGH at no cost



Structure and Flows



A strategic opportunity for health investors

Ability to leverage the UP-PGH ecosystem and be exposed to the forefront of research activities

Stable, indexed Annual Payment and diversified revenue potential from paying beds and commercial activities, with flexibility granted in service scope and delivery

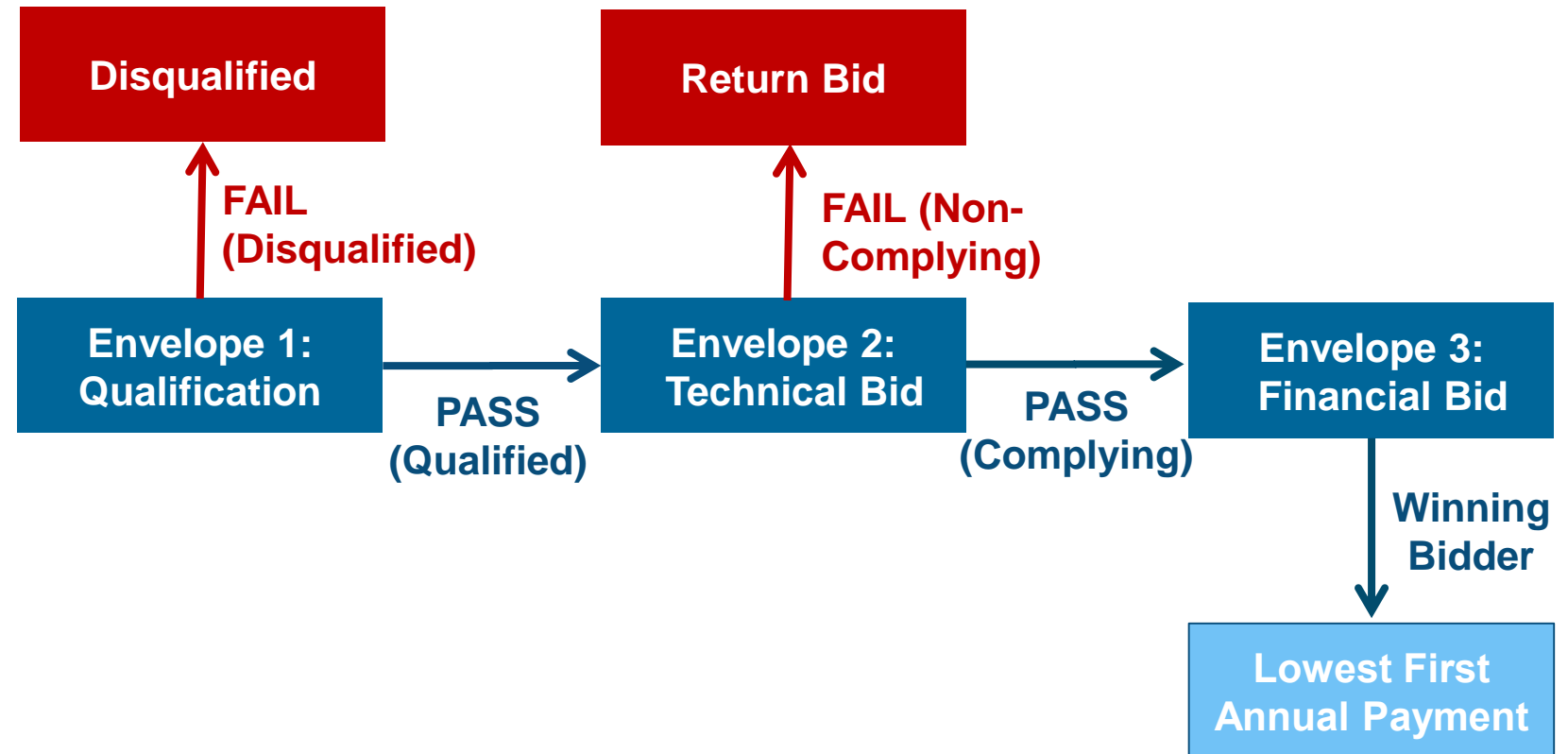
UP-PGH Cancer Center PPP

Access to UP-PGH doctors, which are highly reputed and qualified, and have a well-established patient base

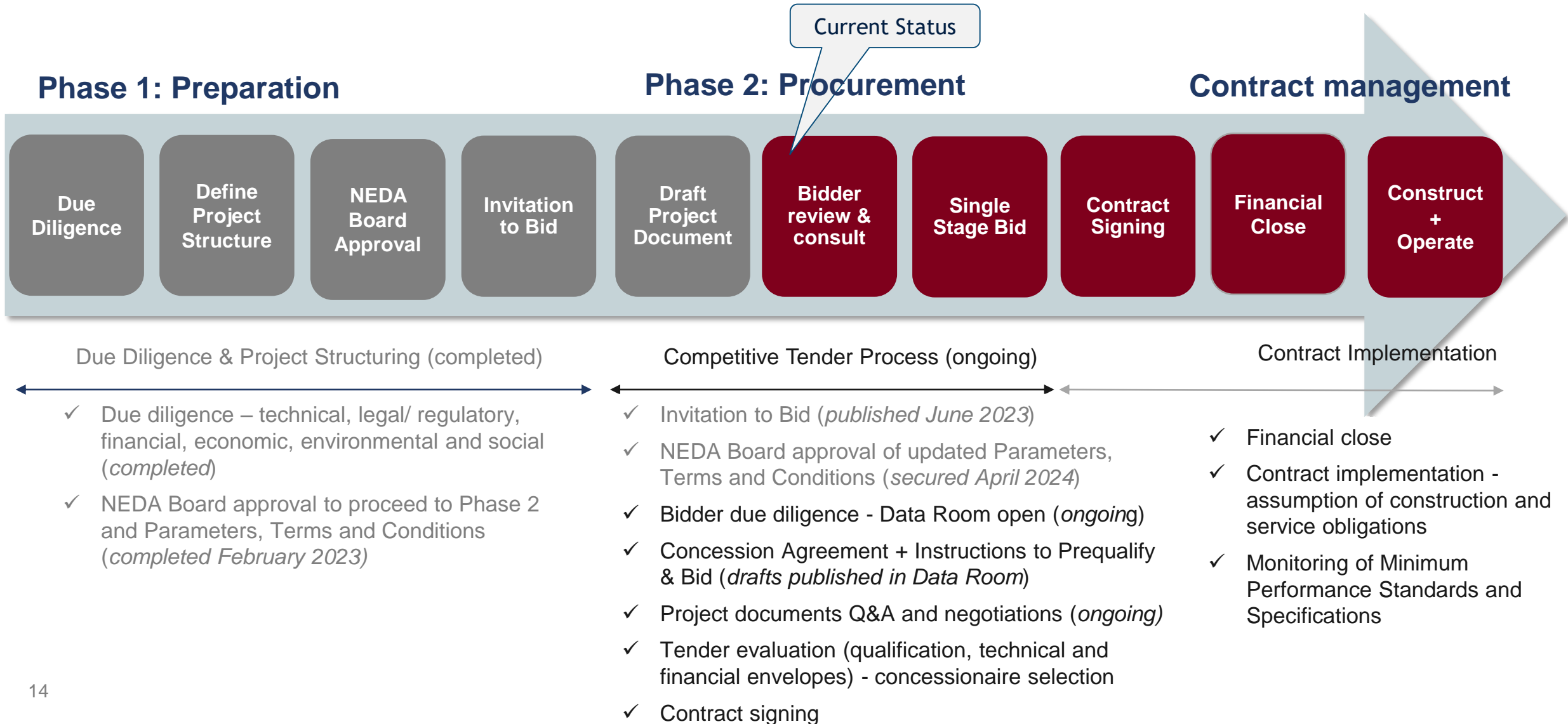
Strategic location in a densely populated area of Metro Manila, with the plot in the UP-PGH campus provided at no cost

Tender Process – Single Stage Bid

- Bidders will submit at the same time 3 envelopes:
 1. Pre-qualification documents
 2. Technical Bid
 3. Financial Bid
- Prequalification and technical bids evaluated on a **pass/fail basis**
- **Winning Bidder** determined based on lowest required Annual Payment for the first year of operations

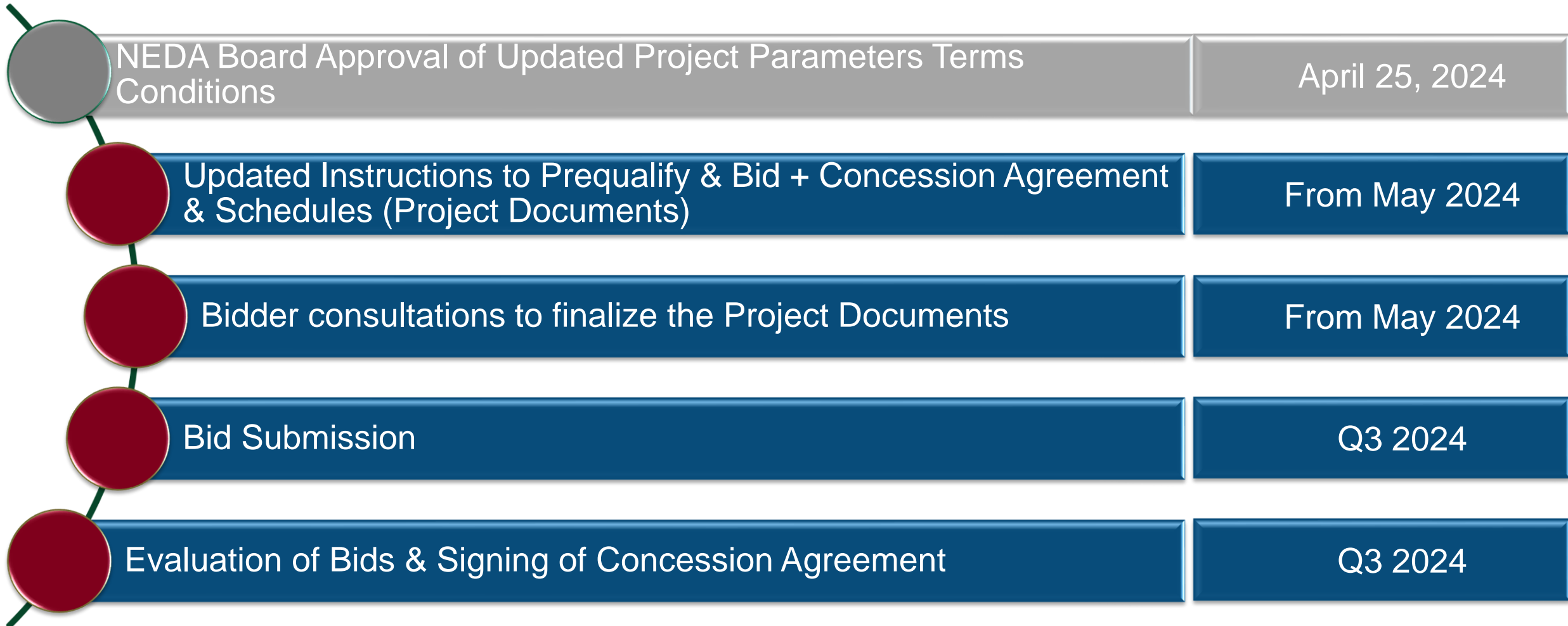


Project Steps



Participation in the tender and purchase of Project Documents remains open to interested parties

Indicative Timeline



Transaction Advisory Team





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Cancer
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PPP

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