

Ontario Health Coalition

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For Immediate Release

Attn: Assignment Editor

Secret Tenders Issued by McGuinty Government to Private Companies for P3 Hospitals

Toronto – The Ontario Health Coalition criticized the McGuinty government for issuing secret tenders for at least 7 hospitals across the province, including: Bluewater Health Sarnia; North Bay Regional Health Centre; Quinte Healthcare; Sault Area Hospitals; St. Joseph's Health Centre London; Sudbury Regional Hospital, and; Trillium Health Centre in Mississauga.

The Requests for Proposals (RFPs or tenders) issued for these hospitals have been provided to short-listed for-profit corporations bidding on the hospitals, but cannot be seen by Ontario residents who will pay for the hospitals. Although RFPs for most government contracts are available on MERX (www.merx.com) - the website for public tenders - the P3 hospital tenders are secret.

The coalition accused the government of sacrificing the public interest in order to push through the P3 privatization of our hospitals over public opposition:

- the government has told the local hospitals not to reveal estimated costs at the outset of bidding meaning that they cannot be held accountable for cost overruns
- the government has issued secret RFPs for the first seven privatized P3 hospitals
- the government recently announced it will pay the companies to offset their costs for bidding on Ontario's P3s (from which the private companies stand to make extraordinary profits) making a mockery of repeated claims about transferring risk to the private sector.

"So far, the McGuinty government has put out to tender more than \$1 billion in secret privatized hospital deals," noted Natalie Mehra, director of the Ontario Health Coalition (cost breakdown is provided in the attached backgrounder). "We asked the McGuinty government for copies of the tenders for their privatized hospital projects and were told that we cannot get them until the deals are signed. We asked the NDP opposition to get this information and they were also denied access."

"Hospital officials are telling us that they have been told to keep the estimated cost of their new hospitals secret," she continued. "The key information contained in the tenders includes the government's estimates of the costs and the scope of services to be privatized."

Economist Hugh Mackenzie noted that the secrecy of the P3 hospital projects is not in keeping with normal government tendering. "I can go on the internet and look at all of Ontario's public tender documents -- except for the P3 hospitals. Why the secrecy? Is it possible that the government knows that the P3 bids are certain to come in above cost estimates? Is it possible that disclosure will open up a debate about the economics of P3 projects that the government is certain to lose? This secrecy is not in the public interest. It is in the political self-interest of a government that knows it cannot defend its P3 policy."

"The government has repeatedly stated that it will protect public accountability and transparency in the privatized hospitals. This is now shown to be a farce. They know that by the time a freedom of information request goes through the contracts will likely be signed and impossible to change for twenty years or more," concluded Mehra. "Keeping the tenders secret marks a new low point in public accountability surrounding McGuinty's privatized P3 hospital policy."

For more information: contact 416-399-0882.

Ontario Health Coalition
Backgrounder on P3 Hospital Privatization Under McGuinty Government
October 27, 2006

33+ P3 Hospitals – More Than Any Other Province

The government has now announced at least 33 P3 hospitals across Ontario. These announcements mean that the McGuinty government has pushed dramatically further down the road of P3 privatization than any other area in the country - including Ralph Klein's Alberta. A full list of announced P3 projects is below.

What is secret

The government will not allow the legislature or citizens to see the RFPs - or tenders - for the P3 hospitals. This is unusual – RFPs for most government contracts are available on MERX (www.merx.com) - the website for public tenders. The key information contained in the tenders includes an estimate of the cost of the hospitals and the scope of services to be privatized.

We believe the government has an interest in reducing its public accountability by hiding this information for several reasons:

- 1) costs will likely to increase dramatically as the government and hospitals negotiate the deals with the multinational private consortia. The Ottawa P3 increased from \$100 million at the outset of negotiations to \$132 million when the deal was signed. The Brampton P3 increased from \$350 million to \$550 million.
- 2) the government has pretended all along that it is not privatizing when it is. It has renamed the P3s as AFPs (alternate finance and procurement). Showing the RFPs (tenders) will provide documentary evidence of which services and non-profit assets are being handed over to private for-profit companies.
- 3) the public will be able to see how the privatization deepens and costs increase through the negotiations if we are able to compare the final deals with the RFPs.

Quotes Promising Public Accountability and Transparency

"We will not compromise the integrity of our public health care system. All Ontario hospitals, no matter how they are funded, will be publicly owned, controlled and accountable."

David Caplan speech to announced Runnymede Hospital P3 on August 9, 2006.
http://www.pir.gov.on.ca/userfiles/HTML/cma_4_45103_1.html

"If local residents want to know what Bluewater Health includes in its RFP, all they need to do is ask when it's prepared later this year, Lee said." *Quote from Wilson Lee, Communications Director for David Caplan Minister of Public Infrastructure Renewal, in Province takes on coalition: Lobby Group accused of spreading 'misinformation', The Observer (Sarnia) Saturday, April 29, 2006*

"I want to make it very clear that the McGuinty government is on the side of Ontario families and individuals who want the best health care. Ontario is not giving up control of its hospitals to private interests," said David Caplan, Minister of Public Infrastructure Renewal. "All Ontario hospitals will remain publicly owned, publicly controlled and publicly accountable." *MPIR Press Release "Provincial Government Committed to Public Ownership and Control of Province's Hospitals to Protect Public Interests"*.

When announcing its infrastructure program, entitled *Building a Better Tomorrow: An Infrastructure Planning, Financing and Procurement Framework for Ontario's Public Sector*, the Minister of Public Infrastructure Renewal, David Caplan outlined five fundamental principles governing the approval of infrastructure projects and the selection of financing options:

- The public interest is paramount
- Value for money must be demonstrated
- Appropriate public control/ownership must be preserved
- Accountability must be maintained
- All processes must be fair, transparent and efficient.

see release July 27, 2004 and all subsequent press releases on hospital announcements.

Dalton McGuinty on the record promising to stop P3 hospitals: see <http://www.web.net/ohc/ontherecord.htm>

More than \$1 Billion in Privatized Hospital Infrastructure Tendered in Secret RFPs

The estimated costs of the P3 hospitals that have been tendered so far. Estimates are as revealed by local hospitals prior to the news blackout:

- Blue Water Health Sarnia
cost estimates \$135 million (Bluewater Health website January 2006)
- Montfort Hospital/Hopital Ottawa
cost estimate \$250 million (Montfort website January 2006)
- North Bay Regional Health Centre
cost estimate \$219 million in capital costs, no information on additional privatized services cost (North Bay Nugget May 13, 2005)
- Quinte Healthcare
no cost estimate released
- Sault Ste. Marie Hospital
cost estimate \$200 million in capital costs, no information on additional privatized services cost (reported in Sault Star, Sept.1,2006)
- St. Joseph's Health Centre London
no cost estimate released
- Sudbury Regional Hospital
cost estimate \$150 million (Sudbury Star, June 13,2006 revealed that the local fundraising target is \$15 million and is 10% of the total cost)
- Trillium Health Centre
Mississauga site \$100 million estimate, no figures for Queensway site (Toronto Star, Sept.2, 2005)

Total known cost estimate: \$1.054 billion in known estimates plus 3 redevelopments with no cost estimates released.

McGuinty Government List of P3 Hospitals Announced to date:

- Barrie - Royal Victoria Hospital new cancer centre
- Brampton - William Osler Health Centre
- Grimsby - West Lincoln Memorial Hospital
- Halton - Halton Healthcare Services Corp. CCC Rehab/ Main Campus
- Hamilton - HHS (General site)
- HHS (Henderson site)
- HHS (MUMC Campus)
- St. Joseph's mountain centre
- Kingston - Kingston General Hospital Stuart Street Site
- London - London Health Sciences VC/UC restructuring
- St. Joseph's Grosvenor Site, Parkwood Mental Health
- Markham Stouffville Hospital/Salvation Army Grace
- Mississauga - Trillium Health Centre
- Credit Valley Hospital redevelopment
- Niagara - Niagara Health System
- North Bay - New Regional Health Centre
- Oshawa - Lakeridge Health Corp.
- Ottawa - Ottawa Hospital restructuring
- Ottawa Cancer Centre
- Montfort redevelopment
- Royal Ottawa
- Quinte - Quinte Health Centre

Rouge Valley Health System

- Sarnia - Bluewater Health
- Sault St. Marie - Sault Area Replacement Hospital
- Sudbury - L'Hopital Regional de Sudbury Regional Hospital restructuring
- Toronto - Bridgepoint
- Centre for Addiction & Mental Health (CAMH) Redevelopment Phase II
- Humber River Regional - Finch site
- Runnymede
- Toronto Rehab Institute
- Sunnybrook & Women's College Bayview Phase 1/Ambulatory Care Centre
- Windsor - Windsor Regional
- Woodstock - Woodstock General Hospital

Note: this list has been compiled from media releases and other publicly available documents. It is not known if this is the complete list of proposed privatized P3 hospitals under the McGuinty government.

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