

CONCESSION PROJECT

OUTPATIENT HOSPITAL FOR 500 VISITS PER SHIFT IN KYZYLORDA CITY

The Akimat of Kyzylorda region plans implementation of pilot regional PPP project in health sector on construction and operation of outpatient hospital for 500 visits per shift in Kyzylorda city (2 shifts per day).

PROJECT OBJECTIVE

Providing quality and available medical services of primary medical care of the population Kyzylorda and Kyzylorda region.

Project specification	
Capacity	500 visits per shift, 2 shifts per day
Construction cost	~2 billion tenge (7,9 mln.USD)
Term of concession	Up to 18 years
Type of contact	BTO (DBFO)
Project financing	Private investment

PROJECT STATUS

At a stage of development of the Concession proposal by request of Kyzylorda region Akimat.

Lead consultant: PPP Advisory Center

ATTRACTIVENESS OF THE PROJECT

- ✓ Stable partner from government side represented by Akimat of Kyzylorda region
- ✓ Reimbursement of investment expenses
- ✓ Management fee
- ✓ Stable demand for medical services in the new, developing residential area

RESULT OF THE PROJECT

- ✓ Outpatient hospital for 500 visits per shift in “beyond the line par” of the city Kyzylorda, residential area “Al-Farabi”.
 - ✓ Access to medical services of primary medical care for the population of “beyond the line part” of the city.



The concession proposal – the concept of the concession project reflecting its purpose, ways of its achievement, a measure of the state support, sources of compensation of expenses and obtaining the income of the concessionaire, including set of the relevant activities, and also the proving expediency and possibility of implementation of the concession project.

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PROJECT LOCATION

The Kyzylorda region is located in the southern part of the republic, the total length of region borders is 2 285 km. The regional center is Kyzylorda city. The distance between the most northern and southern sites of Kyzylorda region makes more than 1 000 km. Population density is low, it is 3 people/sq.m that is twice lower than average population density of Republic of Kazakhstan.



According to official figures, population of the Republic of Kazakhstan in 2014 made 17 160 774 people from whom only 4,3% or 739 776 people live in Kyzylorda region. Kyzylorda city lives 310 thousand people (2015)

The Kyzylorda area is small on population and also has rather small share in production of gross domestic product (GDP) of RK. The area makes 3,8% of GDP of the country. The Kyzylorda area possesses considerable resources of natural minerals: fields of iron and polymetallic ores, uranium, oil, table salt, limestone, quartz sand. The area carry out the activity of 27 subsoil users, from which 8th enterprises with foreign participation occupied in the sphere of production of uranium, oil.



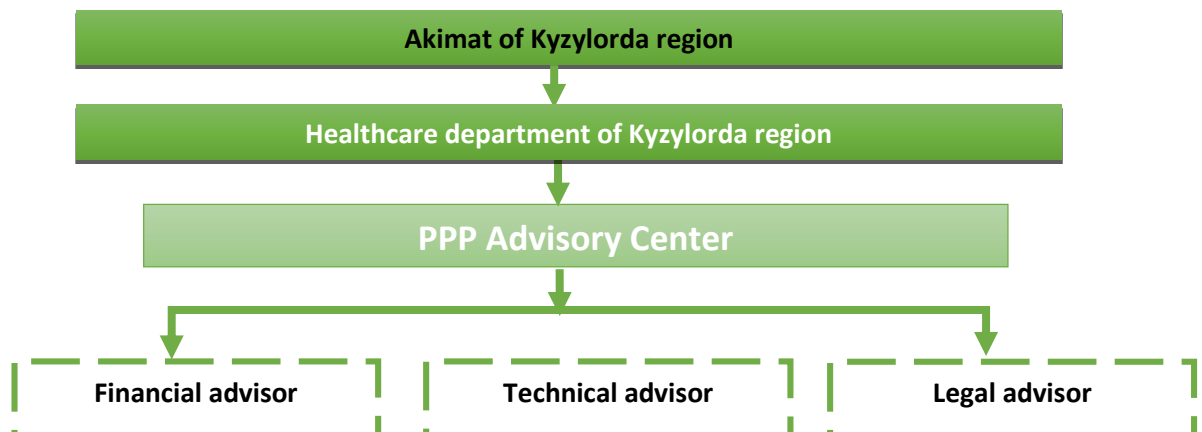
“Beyond the line part” of the city, which is located to the north from a railway line, lives 31 853 (2015) people.

There are two healthcare providers in that district of the city: outpatient hospital No. 5, (32 813 people are attached), serves mostly people from other districts of the city and city outpatient hospital No. 2 (35 134 people are attached).

This outpatient hospital is planned on PPP scheme instead of existing city outpatient hospital No. 2.

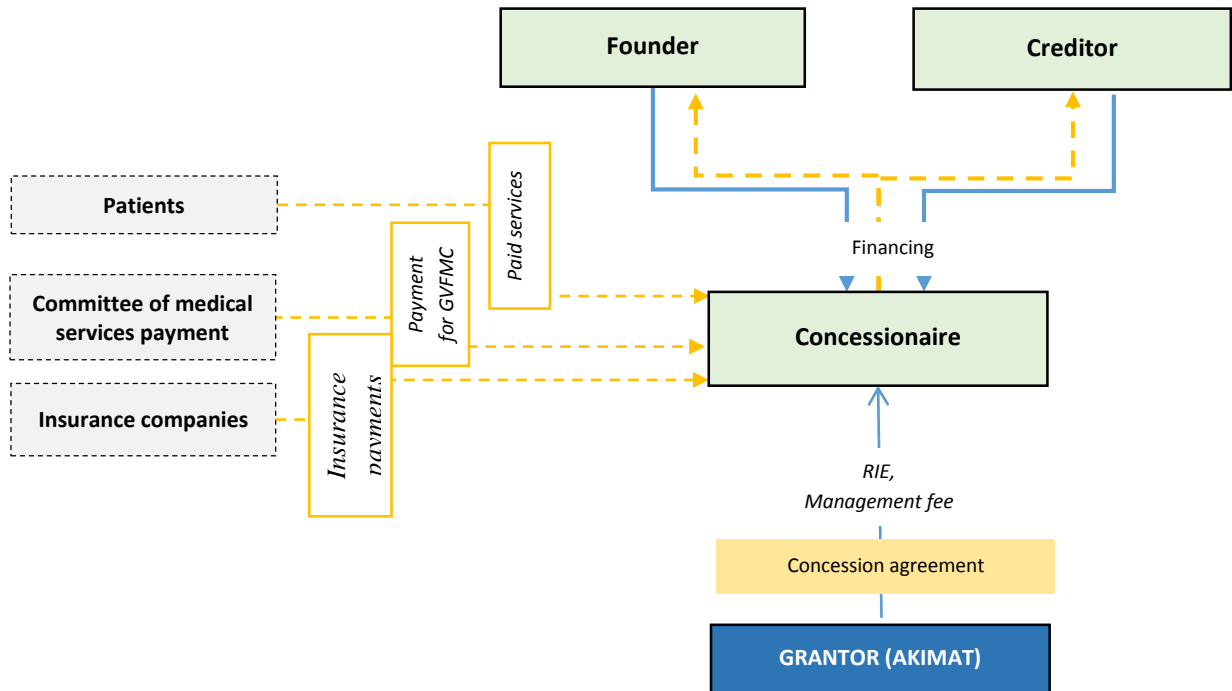
Concession object will cover population of about 35 000 people.

PROJECT TEAM



ORGANIZATIONAL AND LEGAL SCHEME

Build - Transfer - Operate (BTO)



RIE – Reimbursement of investment expenses

GVFCM – volume of medical care, guaranteed to citizens of Kazakhstan by State.

FUNCTIONS OF THE CONCESSIONAIRE

- rendering medical services and non- medical services
- operation, maintenance and management of concession object, including routine maintenance and overhaul repairs
- ensuring security and safety of concession object, observance of standards of fire safety, management of medical waste and chemical means (including utilization)

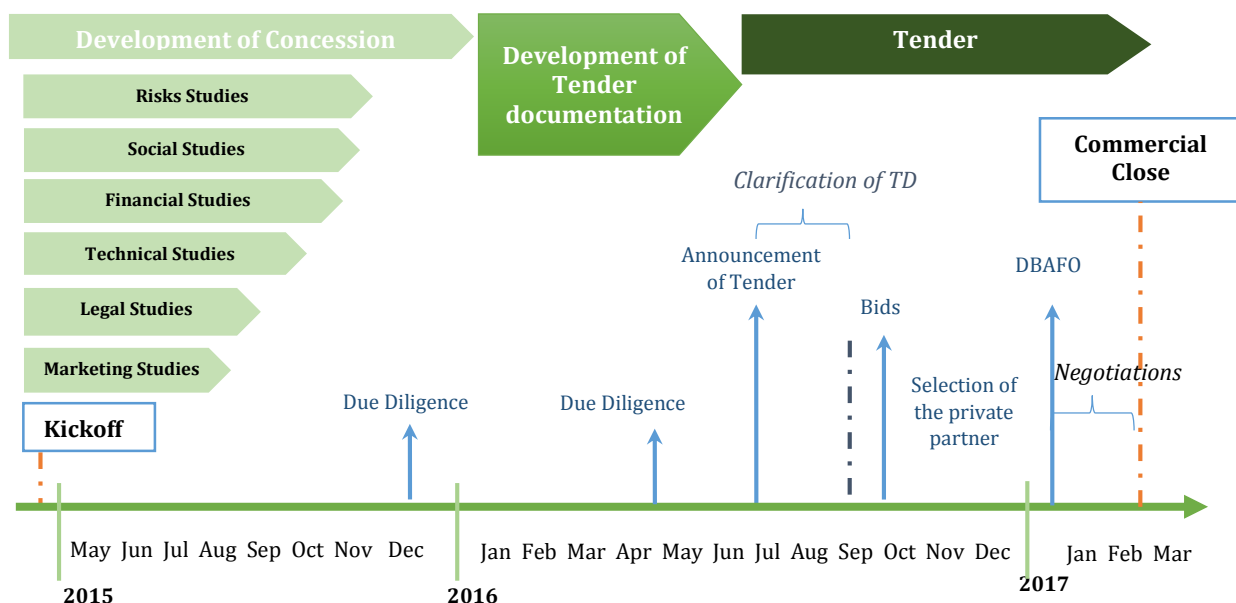
INCOME OF THE CONCESSIONAIRE

- Reimbursement of investment expenses of the concessionaire
- Management fee from the Akimat for the concession object management
- Incomes from medical and non-medical services

FUNCTIONS OF THE GRANTOR

- transfer rights to possess and use concession object for the term of concession to the concessionaire
- Payments of reimbursement of investment expenses and management fee to the concessionaire
- Control the quality of services provided by concessionaire.

PROJECT TIMELINE



DBAFO – Definition of the Best Concession Offer
TD – Tender Documentation

Tender for selection of the concessionaire

The tender procedures will be implemented in the form of the competitive dialogue in accordance with the law of the Republic of Kazakhstan "On concessions".

- ✓ **Step 1.** Prequalification of interested companies and explanation of the conditions of competition, assessment of compliance to qualification criteria;
- ✓ **Step 2.** Competitive dialogue, the introduction of competitive bids;
- ✓ **Step 3:** Determination of the winner, negotiation and signing of the concession agreement.

As part of the tender documentation participants will be given a concession proposal and design and estimate documentation.

The Potential concessionaires can also participate in competition with the land plot.

Further Actions

The project team will collect feedback and comments of potential participants in the PPP project to take them into account during the development of the concession proposal, tender documentation and draft concession agreement.

We welcome offers and comments on the implementation, the payment of the Project, functions of grantor and concessionaire, and others.

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