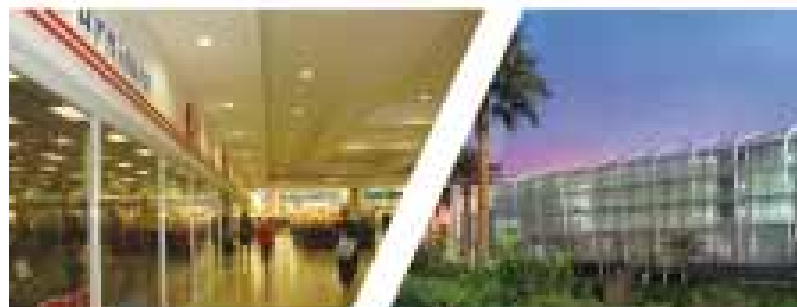




**Our Track Record**




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- Bay Architects
- Rogersman & Partners
- CM Architects
- Loosle & Wilkinson
- UBM Architects
- GMP Architects
- WJH & Associates
- Integral Architectural Design
- MCS Architects
- Mossley Wapenaar Partnership
- Stoan Architects Okwadakhi Team Architects
- TRCP Architects
- UBO Consulting



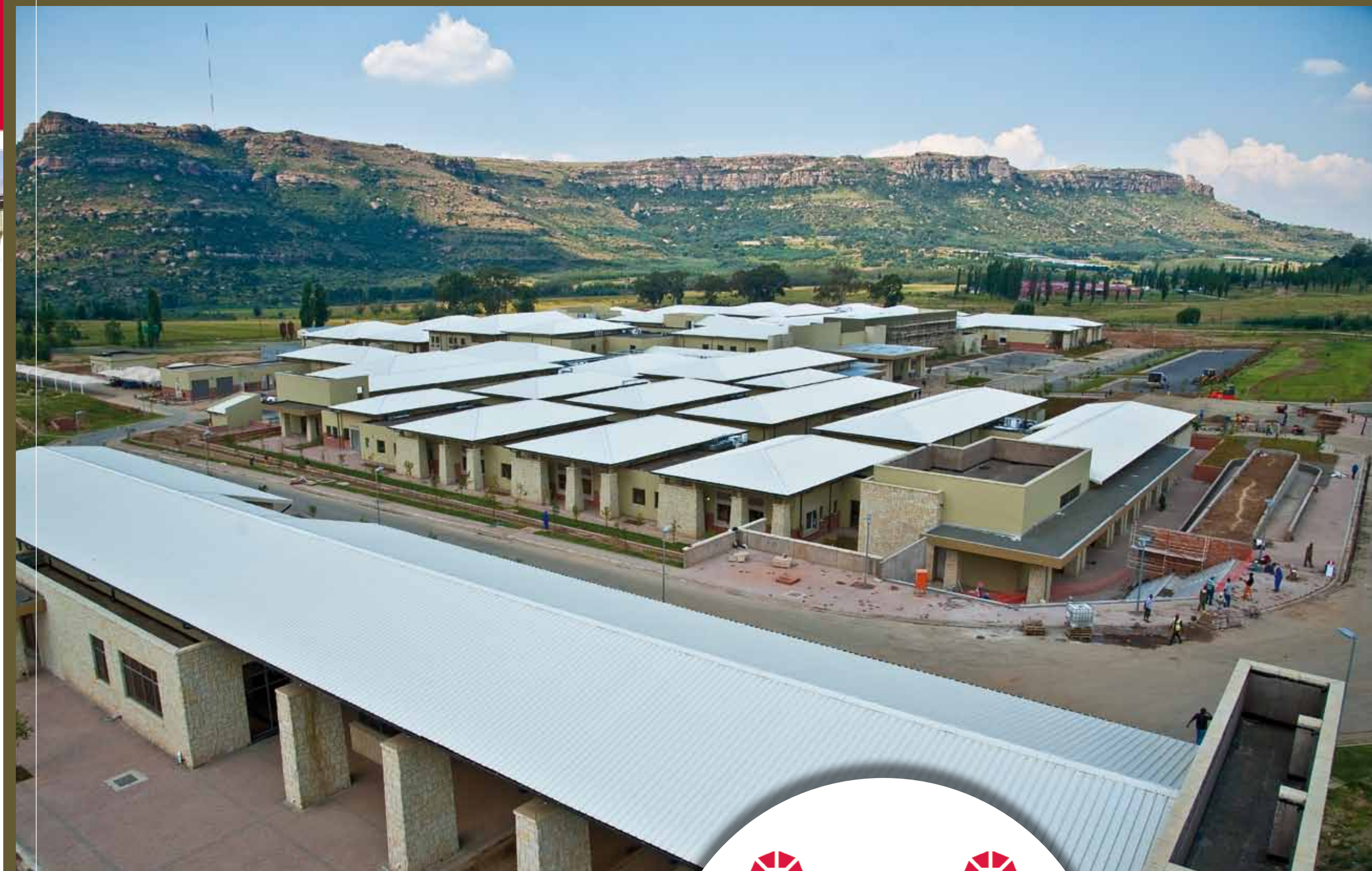
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# SOUTH AFRICAN PROPERTY REVIEW

November 2011



**Delivering better healthcare in Lesotho**



**SAPOA**  
SOUTH AFRICAN PROPERTY OWNERS ASSOCIATION



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In 2006, the Government of Lesotho launched an initiative to address the ailing healthcare standards within Lesotho and to ensure a sustainable and efficiently managed clinical delivery model for the region. Together with the involvement of the International Finance Corporation, the Government of Lesotho developed a healthcare transaction that culminated in the development of a 425 bed referral hospital and the refurbishment of three key filter clinics in the area. The hospital was recently opened by King Letsie III at a public ceremony.

The project was procured through a public private partnership (PPP) and is a first for the region in terms of a PPP structure. Unlike in South Africa, this PPP model included not only the design, build, finance and operation of the hospital, but included the full clinical service delivery by the private partner. This included the recruitment of doctors, nurses, pharmaceutical services and other key public sector services.

In 2007, Netcare Hospitals (Pty) Ltd responded to the clinical needs of Lesotho and submitted a bid that would dramatically change the future of healthcare in Lesotho. Netcare at the time approached a number of leading South African companies to assist in the development of this project.

The "private party" ultimately became known as Tsepong (Pty) Ltd and comprises Netcare Hospitals and some leading local partners in healthcare and from Lesotho. This story covers four distinct aspects to the project and how they collectively delivered an African success story.

• **A transaction with a difference** •

Patrick Dominy, Director of ECH Solutions Africa comments: "We partnered with Netcare and then Tsepong to provide the PPP bid management expertise during the bid and negotiations stage and then progressed to being the Development Manager for Tsepong during the development cycle. It was a wonderful challenge to lead a transaction of this nature that ultimately is now delivering

modern healthcare of a standard that is on a par with "private healthcare" in South Africa." The bottom line is that the operational cost of this facility is now only marginally more than what Lesotho was spending on its previous, dilapidated facility. The negotiations took only ten months to conclude given the commitment of both Government and the private party. "This is an African first and proves that with the right political will, even complex healthcare projects can focus on the need rather than the agenda" he says.

Dr Victor Lithakanyane of Netcare Limited comments that "Many countries believe the healthcare is a public service to be provided by government, but there is now a realisation that private business can play an active role in providing better and more efficient access to healthcare, both in the provision of capital, expertise and systems." Lesotho took the opportunity and is now showcasing their facility to the world.

Patrick notes that during the development of the project, there were many occasions when delegations from Southern Africa, East Africa, Asia, Europe and the United States came to site to understand the scale and complexity of the project, and then left "as believers that it was possible".

The resources to negotiate, plan, interface and deliver the project was led by ECH Solutions Africa who were contracted by Tsepong to manage the key work streams of design & build, facilities management and clinical delivery. Together with other monitoring services required during the development period, ECH Solutions Africa was responsible for the overall delivery of the transaction as it progressed from "commercial close" to "financial close" to the conclusion of the construction phase and then finally, the service commencement stage. Patrick adds that the project finished on time and within budget at the end of the 24 month construction period. A further six months of integrated hospital commissioning were concluded a month early thanks to the resources committed to by Netcare".

A key aspect of this PPP transaction is

the independent review of the project and to ensure that all parties involved were fully aware of the various signoff stages and the deliverables that needed to be achieved. "Proper planning and transparency is critical to ensure that a complex transaction meets all its interim milestones," he says. "Good project management is not always a precursor to success but is always the reason for spectacular failure."

This healthcare transaction has demonstrated that the skills, resources and expertise exists in the local industry to develop and lead a transaction that ensures that a "low income" country such as Lesotho, is able to deliver an efficient and affordable project to address the dire clinical needs.

Patrick mentions that an added benefit has been the ability of the clinical operator to attract leading doctors and staff to Maseru and to provide them with the opportunity to work in a modern first class hospital facility.

"The project was complex and challenging given its location and the structure of the transaction" he says, "But it was equally rewarding when one reflects on the massive impact it has and will continue to make to the lives of the ordinary people of Lesotho. This transaction has thus delivered hope and dignity to those that need it most" states Patrick. "It's now no longer "Yes We Can but rather "Yes We Did!"

• **A development model to emulate** •

RPP Developments, through its Lesotho arm, took the role of developer in the project. Alan Walker, projects director at RPP, says that the project was a challenging one in terms of its size and scope, and that the complex services and technical details involved required careful co-ordination of the team.

Pako Petlane, director at Mookoli Properties and RPP, was instrumental in introducing the team, including Netcare, to the project opportunity. Pako, who was born and raised in Lesotho, says he knew the idea of building a new hospital on the same site had been around since 1978. When the time came to

get it off the ground, the Lesotho government opted for a PPP model on the basis that it was critical to have a strong operator. "The old Queen Elizabeth II hospital was 100 years old and very run down. Attempts were made to revamp it but they didn't work," Pako explains. "The hospital was sending patients to Bloemfontein and even to Johannesburg at enormous cost – a cost which the government had to cover because, being a government hospital, there is only a nominal cost to patients," he adds.

In essence, the PPP model will allow a government facility to be run by a private operator. The private party, including Netcare as the operator, had to put together a bid that showed it could build, equip and operate the facility on the budget specified by the Lesotho government so that the cost to patients would be the same as before. The hospital will act as a referral hospital for others around the country, as well as several feeder clinics in the area. While some conditions may still have to be treated in South Africa, the hospital now has the ability to provide certain critical services and to treat conditions that are highly prevalent in the area.

"The hospital has had a massive benefit to the local population," Pako comments. "Doctors and nurses from the old hospital were either re-engaged on Netcare's terms or redeployed to other hospitals, but more importantly, many have been encouraged to return from overseas," he says. The local population also benefited from the project, since right from the design stage through to completion, it was a requirement of the contract that there be 35% participation of local people. The project certainly created both temporary and permanent jobs, and now that the hospital is running, many support services such as cleaning, laundry, catering, etc are being performed by local companies. A rewards and penalties model ensures that there is accountability at every level.

This PPP model has attracted a great deal of attention as one which could be emulated in other countries. "It has attracted serious interest from Botswana, Swaziland, Mozam-

bique, Zambia and other countries," Alan comments. Indeed, this somewhat different model allows for services of a private sector standard to be delivered through a government facility, which certainly is a pioneering move.

• **Designing for wellness** •

From a design and architectural point of view, the architects' objective was to develop a solution that embodied functional design, and a well organised building offering a full set of integrated general health care services for the urban population of Lesotho.

Pieter Oosthuizen of VDO Consulting explains that the functional concept was developed with the aim of creating an efficient, high quality medical facility that can be operated and maintained with constrained resources. Nature-inspired solutions, including natural stone and soothing colours, promote a sense of well-being for both patients and staff. The rural site and context influenced the design, too. Local natural elements (specifically sandstone from Lesotho) were used on the external facades and became a key feature in the design of the hospital

One of the most important aspects was to ensure that all patients and visitors have some kind of contact with nature. The building incorporates natural daylight and provides contact with nature in the form of beautiful mountain vistas. A compact, low rise solution was proposed: a main 'hospital street' or 'spine' visually links all the 'building blocks'. This creates self-contained outside 'wellness gardens' for use by patients and visitors who might benefit from or enjoy a therapeutic and calming environment.

This 33 000 m<sup>2</sup> hospital was designed to be user friendly. Signage was incorporated into the floor design and coloured blocks lead patients and visitors to the correct departments within the hospital. This assists in directing people who cannot read – it is easier to explain that they simply need to follow the coloured blocks. The hospital also has a modular layout to accommodate easy expansion in future.

The building incorporates green design initiatives for sustainability. These range from the use of natural daylighting to designing for energy performance, incorporating an economical chilled water plant, saving and recycling water and adopting energy saving lighting solutions. "The designers and developers sought to create an environment that fosters wellness and healthy living. By implementing sustainable and green design principles, this hospital will offer patients,



The "Yes We Can" slogan at one time carried connotations of political rallies in the western world, but as the development of the Queen Mamohato Memorial Hospital in Lesotho demonstrates, it can also be true in terms of delivering leading healthcare outcomes in Southern Africa.

staff, visitors and the greater community an exceptional model of care," Pieter says.

• **A challenging construction process** •

Grinaker-LTA was the lead contractor in partnership with local Lesotho contractors. Marc Meire, MD of the Inland Building division, says the logistics on the project were particularly challenging. He explains that resourcing was difficult, and exhaustive planning had to go into the scheduling and delivery of plant, equipment and materials to the site to prevent delays. This was made even more important by the fact that the pace at which the work had to proceed was demanding. "We had to complete some 400m<sup>2</sup> or about 25 rooms per day, in comparison to the normal rate for a hotel, for example, in which four to six rooms a day is normal," he points out.

Local people and companies had to be used if the skills were available, as part of the importance of the project was to involve the community in the work. Sandstone was quarried locally by hand and a variety of tasks were carried out by locals. Marc comments that additional complexity lay in the complexity of the technical services such as power and water supply to various areas of the hospital, as well as in the integrated commissioning and handing over to the facilities managers, who needed a manual prepared for them to guide them through each aspect of the technical requirements of the building over the long term.

Despite the various challenges, the hospital was completed and opened on time. Grinaker-LTA is extremely proud of the fact that in spite of the pace of the work, four million man hours were achieved without disabling injury. This would be a pleasing number even under easier circumstances. Marc also believes that the success of the project lay in the close co-operation between the developers, consultants and contractors, the ability to address issues quickly and effectively, and the strong sense of team spirit on the project.

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