

Appendix-A

Dual Management

DUAL MANAGEMENT

The regulation and financing of health care is a subject to public policy and control in Turkey. Because of the limited public resources by reason of debt burden and request of increasing private sector participation in infrastructure investments, public-private partnership model is widely used around the world in recent years. Public-private partnership (PPP) describes a government service or private business venture which is funded and operated through a partnership of government and one or more private sector companies.

PPP involves a contract between a public sector authority and a private party, in which the private party provides a public service or project and assumes substantial financial, technical and operational risk in the project.

Implementation of PPP model in health facilities has many fundamental elements and advantages such as; using public resources in financing private sector investments, integrating the flexibility and movement capability of private sector into the project stages and sharing the project risks, creating a ready and stable environment which allows us to utilize the practical experiences and domain knowledge of each project stakeholder, no cost for the government until the targeted health facilities become operational, due to the lack of sufficient budgets minimizing the construction periods which take around 8-10 years and distributing the burden of investments dependent on the limited public resources to much longer rental periods, providing all services other than medical services from the private sector. Department of Public Private Partnership has been founded as a separate department based on the (k) clause of item 17/C as specified in statutory decree No:181 with the publishment of the law no 5683 in Official Gazette (Nr: 26547) dated 09th June 2007.

The following main benefits are aimed by applying PPP finance model in healthcare domain;

- utilizing private sector financing capabilities in public investments,
- integrating the flexibility and movement capability of private sector into the project stages and sharing the project risks,
- creating a ready and stable environment which allows us to utilize the practical experiences and domain knowledge of each project stakeholder,
- no cost for the government until the targeted health facilities become operational,
- minimizing the construction periods which in general takes around 8-10 years
- just due to the lack of sufficient budgets
- distribute the burden of investments dependent on the limited public resources to much longer rental periods,
- providing all services other than medical services from the private sector, etc

PPP Responsibilities

Public Private Partnership Department performs the following main roles and responsibilities as defined in in the Basic Health Services Law published in 07th May 1987 with a number of 3359.

- a) the procedures and principles in regards with commissioning the real persons or private
- b) law legal entities to be selected via a tender for constructing the healthcare premises deemed necessary by the Higher Planning Board, on the lands owned by such persons/entities or owned by the Treasury, within the framework of the preliminary projects and designs and the fundamental standards to be prepared by the Ministry of Health for each healthcare premise, in consideration for the lease of such premises to the constructing persons/entities against a predetermined amount of lease and for a certain period which can not be more than forty-nine years
- c) for this purpose, the real properties owned by the Treasury to be transferred by the Ministry of Finance of through establishing free of charge right of construction (a kind of right in rem) in favor of such real persons or private law legal entities for a period up to forty-nine years
- d) Defining the leasing rate and leasing duration;
- e) Renewing the healthcare facilities in exchange for the operation of all services other than medical services;
- f) Defining the tender methods, required qualifications for the Bidders, the scope of the contracts etc
- g) Resolving the land problems,
- h) Preparing the related projects,
- i) Performing feasibility activities

In the PPP model responsibilities of the related parties are given below.

Administration Responsibilities

1. Administration shall act in compliance with the laws and relevant regulations and give the approvals and consents it has the authority to give without delay.
2. Administration shall not impede the Project Company in the performance of its obligations in contrary to Project Agreement and its Schedules having always regard to the below mentioned requirements in fulfilling its obligations:
 - i. interactive nature of the activities of the Administration and the Project Company,
 - ii. within the context of the obligations set out in this Agreement or in any legislation relating to the Administration, the Clinical Services and all other operations and activities are being carried out by the Administration in the same Health Facility.

3. Administration shall take all necessary measures to ensure that all payments required to be made by the Administration shall be made on a timely basis and as required.
4. Administration shall review and, if appropriate, approve all documents submitted to it by the Project Company within 30 (thirty) Business Days at the latest, other than those documents that are subject to specific time periods or inform the Project Company of the unapproved matters together with reasoning and/or proposed amendments within the same period.
5. Administration shall be liable for the claims raised by third parties in relation to the Land ownership and the consequences thereof.
6. Administration shall make the building supervision of the Health Facility or have it made through an independent supervisor entity.
7. The Administration guarantees to the Project Company, the payment of annual amounts calculated on the basis of 70% patient bed occupancy ratio for Volume Services during the Operation Term.
8. Transferring employees of the existing hospitals once those hospitals are closed.
9. Administration will supply doctors and nurses of the Health Campus
10. Administration is responsible from the diagnosis and treatment of the patients
11. Unit nurses will be employed by the Administration, and the Administration shall be responsible for all nurses, who shall draw blood at all Hospital clinics as applicable.
12. The Administration shall not to unreasonably reject or delay the approval of the projects that the Project Company has submitted.
13. Administration shall control and audit all works performed by Project Company.

Sponsor Responsibilities

- 1- Project Company shall perform its duties under the Agreement, at its own cost and risk, which will include the design and construction of the Facilities, provision of the Services and the carrying out of the Commercial Activities, bearing the costs and risk without recourse to the Administration.
- 2- Project Company is a special purpose company, which shall not engage in any other business or operations except for such works or activities.

- 3- Project Company shall complete the construction within 42 months after site delivery date and operate the agreed services for 25 years.
- 4- Project Company is not responsible for the social or environmental effects of the project occurring outside of the borders of the site
- 5- Project Company shall be responsible for repayment of capital sum, interest and all other financial expenses.
- 6- Project Company shall take all construction related permissions and licences.
- 7- Project Company shall take all permissions related with support services before starting to operate related service.
- 8- In the carrying out of the Project Operations, from the Site Delivery Date, Project Company shall have full regard for the safety of all persons in the Land (whether in the Land on the basis of a lawful right or not) and shall keep the Land, the Works and the Facilities in an orderly state, appropriate in accordance with the provisions of Prudent Merchant to avoid any danger to such persons, and shall take the necessary precautions to prevent any danger to the workers.
- 9- Project Company shall comply and shall procure that any of the Subcontractors comply with the legislation which may be applicable to Project Agreement in relation to health and safety during the performance of Works and also comply with the legislation applicable to the performance of the Services and Commercial Activities in accordance with Turkish law.
- 10- Without prejudice to its rights under Project Agreement, shall act in compliance with the instructions notified by the Administration to Project Company in writing which arises from the legislation the Administration must comply.
- 11- Project Company shall act in compliance with all law, regulations and written directives of the Ministry of Health in carrying out its obligations.
- 12- Project Company shall prepare the Final Project and the Implementation Project in full compliance with the Preliminary Project, Technical Specifications, other parts of Tender Document, the Project Company's Proposal and Schedule 8 (*Construction Matters*) and without any fault according to its knowledge and experience.
- 13- Project Company shall prepare the Implementation Project and execute works necessary to carry out the Project in line with the Implementation Project.
- 14- Project Company shall supply, install and maintain the Equipments.

- 15- Project Company shall perfectly carry out the maintenance and repair works of the entire Facilities.
- 16- Project Company shall provide the Services and carry out Commercial Activities
- 17- Project Company shall hand over and deliver the Facilities, pursuant to Schedule 24 (*Handover Procedure*), in good status and operating condition, together with all equipments in operating condition, to the Administration at the end of the Contract Term.
- 18- Project Company shall diligently carry out the ground survey over the Land and/or have it carried out and submit the ground survey report to the Administration. The projects shall be prepared according to the ground survey reports and comply with the prevailing earthquake regulation.
- 19- Before implementing any amendment to the Final Project and the other projects, Project Company shall submit such amendments in writing to the approval of the Administration and obtain the construction permit and other legal permits necessary for the construction of the project. Project Company shall complete, and then re-submit to the Administration, within the period of time indicated by the Administration, the issues that the Administration has not approved and notified with detailed reasons.
- 20- Unless the Administration gives its prior written consent, in no way whatsoever, Project Company shall not carry out any work, procedure, project amendment or other modification in breach of the projects approved by the Administration.
- 21- Project Company is responsible to carry out the following services except evaluating exam results, treatment of patients and associated consequences of medical services:

I. Medical Support Services

- i. Imaging Services
- ii. Laboratory Services
- iii. Sterilization Services
- iv. Rehabilitation Services
- v. Medical Equipment Maintenance Service

II. Support Services

- i. Estates Service
- ii. Extraordinary Maintenance Services
- iii. Utilities Management Service
- iv. Furniture Service
- v. Grounds Maintenance Service

- vi. Cleaning Service
- vii. Hospital Information Management System (HIMS) Application and Operating Service
- viii. Security Service
- ix. Portering Service
- x. Reception Service
- xi. Helpdesk Service
- xii. Pest Control Service
- xiii. Car Parking Service
- xiv. Waste Management Service
- xv. Linen Service
- xvi. Catering Service

22- Project Co shall comply with the requirements of both the General Service Specifications and Specific Service Specifications under the requirements established in this Schedule 14. The General Service Specification clarifies the Administration's generic service requirements. The Specific Service Specifications details the additional particular requirements for each Service.

23- Project Company shall notify the Administration Representative about the management structure, responsibilities and lines of communication instruments used by Project Co in respect of the services. Any potential changes in such structure, responsibilities and lines of communication instruments during the Project Term shall be reported to the Administration.

24- Within 1 (one) month of the commencement of the Service, Project Company shall develop and maintain a procedure to ensure the regular monthly meetings between Project Co's management team and the Administration's management. Project Co is required to develop a system of exception reporting and management information reporting as agreed with the Administration Representative.

25- Project Company shall ensure that systems and controls as agreed with the Administration in writing are in place to safeguard property, cash and commodities in all Services and appropriate records are kept and available for inspection at the Company's expense.

26- Project Company is liable from coordination of communication and liaison between Service Providers and the Administration, implement a comprehensive system of control in the form of management reports relating to the provision of the Services and shall make the reports available to the Administration on request by the Administration. Project Company shall ensure monthly Service

management reports are delivered to the Administration Representative within 5 working days of the end of each Contract Month in the agreed format and quality.

- 27- Project Company shall analyze each of the Services and in respect of each Service develop a programme that details any proposals for changes to the Services, the likely impact of those changes, the financial implications of the changes, the impact of the timing of such changes or the Administration's ability to carry out its duties and any other issues which the Administration may require according to the agreed Variation Procedure in Schedule 22.
- 28- Project Company shall provide information requested by the Administration for contribution to the Administration's internal and external public relations.
- 29- Project Company shall hold a duty of care to notify the Administration of any matters which Project Co considers a hazard, establish systems for the transmission of all hazard warnings and safety action bulletin notices to the Administration, Service Providers and Staff and ensure appropriate action is taken and recorded centrally at Project Co's expense. In respect of waste disposal, this obligation valid within the boundaries of the Site. Project Co shall implement and monitor such hazard warnings and safety bulletin notices ("Action Plans") to be agreed from time to time with the Administration Representative.
- 30- Project Co shall employ sufficient competent staff to ensure that Services are provided at all times and in all respects in accordance with the Service Specification. Project Co shall ensure that a sufficient reserve of staff is available to meet the Service Specification during holidays and absences.
- 31- Project Co Staff shall, where required, undergo pre-employment health checks in accordance with local Administration Policies.
- 32- Where Project Co Staff are employed in the Pediatrics, Maternity, Day Nurse, Rehabilitation Departments or on security, portering, ward housekeeping, reception duties Staff shall be commenced though the agreed selection criteria.
- 33- Project Co shall maintain accurate and comprehensive training records for all Staff in a format agreed with the Administration Representative.
- 34- Project Co shall develop and maintain an appropriate Induction Programme, the content and style of delivery shall be approved by the Administration on an annual basis.
- 35- Project Co shall ensure all new Project co-staff involved in the Service delivery shall undertake the induction programme prior to their commencement of work on Site. All other training listed on the Induction Programme shall be to a programme agreed with the Administration.

- 36- Project Co shall ensure that all Staff engaged in the delivery of the Service, in addition to the induction programme, are at all times properly and adequately notified, trained and instructed (including if reasonably practicable by way of continuing professional development) with regard to:
- a) the task that the individual has to perform;
 - b) all the provisions of the Specific Service Specifications relevant to the duties to be performed;
 - c) the standing instructions and procedures, where relevant, to the Services;
 - d) all relevant health and safety hazards, rules, policies and procedures concerning health and safety at work and all other mandatory and statutory requirements;
 - e) fire precautions and procedures;
 - f) the need for Staff to show courtesy and consideration and maintain confidentiality at all times;
 - g) improving energy and resource efficiency within the Hospital Facilities in line with mandatory standards and requirements.
- 37- Project Co Staff shall properly and presentably dressed in appropriate uniforms and work wear (including protective clothing and footwear where required), maintain a high standard of personal hygiene commensurate with their allocated tasks, and wear identification badges at all times while working in the Hospital Facilities.
- 38- Project Company shall ensure that all Project CoStaff are offered immunisation-having regard to the nature of the duties carried out by the Staff pursuant to the Services including immunisation against Tetanus and Hepatitis B in accordance with the Administration's current instructions and procedures.
- 39- Project Company shall maintain staff satisfaction rate against a yearly staff satisfaction surveys for all Service Provider staff, which will be prepared according to the Ministry of Health Performance Management and Quality Improvement Department Notices and legal procedures.
- 40- Project Company shall devise and operate methods to minimize staff turnover, sickness and absenteeism to within Service Standards, monitor and record this information to determine reasons for turnover and institute packs and/or solutions to maintain the standard in line with the Ministry of Health

Performance Management and Quality Improvement Department Notices and legal procedures.

- 41- Project Co shall ensure Services are delivered in accordance with Good Industry Practice and Administration Policies.
- 42- Project Company shall provide equipment and consumables that are necessary for the provision of the Service Specification at Project Co's expense and shall ensure that such equipment is maintained in such a manner and replaced from time to time, so as to ensure that the health and or safety of all Key Customers is safeguarded at all times.
- 43- Project Company shall ensure sufficient stocks of materials and consumables are maintained for the provision of the Services and that such materials shall be stored in a clean and tidy manner in areas to be agreed with the Administration.
- 44- Project Company shall have equipment disinfected in accordance with the programme agreed with the Administration.
- 45- Project Company shall make all arrangements for the delivery/distribution of stocks of consumables, materials and other equipment as agreed with the Administration.
- 46- Project Company shall provide, monitor and update an approved list of Service Providers and Suppliers, pursuant to Clause 53 of the PPP Agreement which have proven relevant skills, qualifications, financial, management and operational experience.
- 47- Project Co shall assist the Administration Representative in the future development of Administration practices by providing information and revising and agreeing with the Administration on relevant procedures in connection with the provision of the Services
- 48- Project Co shall ensure their Services are delivered in accordance with these operational task based method statements. The Method Statements shall be kept up to date at all times and made available to all relevant Project Co Staff and Administration Representatives.
- 49- Project Co shall obtain approval from the designated Administration Representative(s) and statutory bodies where necessary, for all proposed working practices prior to implementation. Such Administration approvals shall be confirmed in writing by an authorised Administration Representative before new or updated working practices are implemented.

- 50- Project Company shall submit prior to service commencement a comprehensive health and safety manual relating to all aspects of the Services. Project Company shall that service provision is delivered in accordance with Project Co's current health and safety manual;
- 51- Project Company shall provide all Staff with suitable and appropriate personal protective equipment.
- 52- Project Company shall ensure that suitable first aid facilities are provided for all Staff;
- 53- Project Company shall maintain and keep up to date health and safety records and documentation and make these available for inspection by the Administration.
- 54- Project Co shall maintain a quality assurance system in accordance with ISO 9001.
- 55- Project Co shall maintain an environmental management system in accordance with the requirements of ISO 14001.
- 56- Project Co shall develop and implement a demonstrable integrated sustainable development policy.
- 57- Project Co shall develop a Contingency Plan, maintain and update annually; or as may be required by changing circumstances, changes in Administration Policies, new technology and Changes in Law.