Nicolas de Roquefeuil, Director for Development in the Maghreb, Bouygues Batiment International – Thomas Hinterleitner, Regional Director for Africa and the Middle East, Vamed Group



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Representatives from a French/Austrian consortium that has just been awarded a contract to construct a new University Hospital Centre in Constantine reveal why this sort of turnkey project is highly innovative and represents a landmark moment in the history of Algerian healthcare.

Could you please start by introducing your consortium which has today been tasked with constructing a new public university hospital in the Algerian city of Constantine?

Nicolas de Roquefeuil (NdR): The consortium is comprised of three entities: Bouygues Bâtiment International, VAMED and a French entity called APHP which stands for 'Assistance Publique des Hôpitaux de Paris.' Bouygues has assumed the lead role for this project and contributes to the project design, rollout and construction. Austria-based, VAMED meanwhile brings in the specialist equipment and the maintenance component – not just for the equipment, but also for the complex

as a whole. APHP take on responsibility for the training, the knowledge transfer of medical services and the hospital management.

What made you choose a country like Algeria for this type of project?

Thomas Hinterleitner (TH): VAMED works globally with a strong focus on Africa. We have been engaging with Algeria for a number of years, but the way projects used to be tendered made things tricky. Tender processes would usually be broken up into segments and orientated specifically towards local contractors. One by-product of this compartmentalization was that the after-completion process was undervalued with little prior planning for the maintenance and upkeep of machinery. In 2013, the newly established National Agency for Implementation of Health Sector Equipment (AREES) adopted a completely fresh approach, taking initiatives that had been long in the pipeline and reconfiguring them as “design-build-operate” turnkey projects.

The contracts for building new public university hospitals are representative of this innovative method. What are normally considered to be thoroughly different segments are instead combined into a single holistic project for contracting out. From a medical design and biomedical engineering standpoint that makes it highly interesting and places the contractor at the cutting edge of innovation. Completing a one-shot turnkey project like this affords multiple opportunities to demonstrate added-value and act as a showcase example of how to marry efficiency of design with efficiency of hospital management.

The scale of each project is equally attractive. Each of these university hospitals will contain 500 or more beds which position them near the upper limit of what would traditionally be considered manageable and efficient. This presents a wonderful opportunity for a company like VAMED to prove that it can handle a project of this magnitude.

NdR: Bouygues is historically very familiar with Algeria. We know the government well and are used to working with APHP on joint projects because they are actually our client in France. We actually built 7 hospitals in the south of Algeria during the 1980s along with some social housing projects. Then, 5 years ago, we were again called upon, this time to design and construct the British embassy. We were therefore on the lookout for opportunities that could enable us to maintain continuity.

When the opportunity arose to participate in the construction of state-of-the-art university hospitals, we were immediately interested. Like our partner, VAMED, we believe this is a unique moment to demonstrate our ability to start from a blank page and deliver a comprehensive solution. We are eager to show to the world that we are much more than a traditional, one-

dimensional contractor. This project is all about providing a real turnkey solution where together, through our collaboration with world renowned partners, we will ultimately provide a fully functional hospital that will be all ready to ‘plug-in-and-play’; It will be ‘clé en main’, as we say in French.

To what extent, then, is this something that you are seeking to replicate across other emerging markets?

TH: Absolutely. We certainly do feel that this is the sort of setup that could readily be transposed to other African markets. This represents our first time working with Bouygues and we initially became introduced to them when discussing other potential joint projects on the continent. When we discovered that we had both pre-qualified for the construction of the Algerian public university hospitals, we both agreed that it made greater sense to combine our efforts and work together. This idea then received the blessing of AREES and the minister.

NdR: It’s a model that Health Ministries in developing countries increasingly aspire to follow. There are, however, relatively few examples of such initiatives actually being implemented in emerging markets mainly due to political and legislative constraints. The virtue of deploying a holistic approach to build hospitals is that it enables the stakeholders to blend operational efficiency with investment efficiency and this is of immense importance when considering the long-term durability of the project.

What features of the project proposal led to you winning the tender?

NdR: Rather than a traditional tender process, there was a sort of pre-qualification round during which 35 companies each submitted a proposal. Of that original 35, ten were selected and went through to a subsequent phase of shortlisting. So far, five companies or consortia have been shortlisted and awarded turnkey hospital projects in cities ranging from Algiers to Tlemcen. The decision making process itself was not especially clear and was conducted away from the limelight during negotiations between the AREES and the Ministry of Health. We didn’t explicitly ask for Constantine, but were very much hoping for a project in one of the main cities so where very pleased when the announcement was made.

TH: The Algerian government has opted for international experience in this instance because this really is about changing the system and putting in place something entirely new and radical. Only by bringing in outsiders and combined experiences from across the globe can this be properly achieved. Though we may not know the exact criteria on which they are basing their decision-making, AREES and the Ministry have been very supportive and giving us a lot of positive feedback

throughout the process.

There are more opportunities on the horizon. The government has already committed to a thorough refurbishment of 14 existing hospitals and there are further university hospitals to be built. Will you be throwing your hat into the ring for those projects?

NdR: This will ultimately have to be commercial a decision for Bouygues, but it certainly presents a good opportunity. It's also worth noting that, of the five new university hospital contracts still to be awarded, four of them will be in the East thus close to the Constantine university facility. In terms of efficiency of supply and logistics, this confers an advantage on us if we decide to enter the bidding.

TH: Rest assured that VAMED doesn't enter new markets like Algeria just for a single project. We gave deep thought to this prior to participating in prequalification and firmly believe that this represents a visionary approach that fits with the profile of our company and what we want to be doing. This is a big shot, but not a one-time shot. We envisage that there is going to be a lot of hospital equipment replacement and maintenance going on in Algeria. The investment plans of the government for the next few years give us a massive reason to be present.

Now that you've been awarded the contract, how do you go about executing a project of this scale?

NdR: Hospitals are some of the more complicated buildings to conceptualize because the healthcare sector is constantly turning to new technologies that need to be incorporated. This complexity has to be married with efficiency. If you design a hospital just based on today's equipment and treatments then there is always the risk that your building will become unfit-for-purpose once those technologies become obsolete. You therefore require an end product that is much more versatile and adaptable to evolving future scenarios. It is also critically important for a hospital to engage with its environmental context by dynamically responding to the health needs and aspirations of a population.

What is quite groundbreaking for this project is that all the key stakeholders are sitting around the table from the inception phase – the architect, the constructor, the equipment providers, the operator, the hospital management and the client. Instead of each joining sequentially part way through implementation, they are all delivering inputs right from the concept-idea stage. This enables us to make huge efficiency gains and end up with a very well rounded end product that will be efficient not just in the short-term, but also over the entire lifespan.

TH: To reinforce what Nicolas has just said, the statistics for the lifecycle of a massive infrastructural project like this show the initial investment ends up being a very low percentage of the overall cost, around 30% perhaps. The end costs over 30 years can be influenced by the designs of merely the first few months. Traditionally you would kick off a project with a construction company and an architect who is concerned with functionality of what he is building, but not a great deal with the medical operational aspect. This is why it is so fundamentally important to transpose each stakeholder's core requirements into the initial design. Our third partner, APHP, have participated in the setting up and operation of over 37 hospitals so have a wealth of information to feed back to us to help the consortium come up with a single package that is simultaneously aesthetic, optimally functional, competitive on price and efficient for construction.

To what extent will this be sourced locally?

NdR: We have certain obligations that are set out in the initial tender documentation. Our philosophy, which is very much in line with these specifications, is to associate with local, indigenous contractors and to make sure we are using materials sources from the local environment as much as possible. We have already been on site-visits to Constantine with a view to determining what can be sourced from the immediate region in terms of materials and personnel.

TH: It is our standard policy to mobilize a local workforce wherever our projects are based. The high point for local employment should be during the maintenance period which will be supervised by a few expats, but primarily performed by local engineers. What's more the concept that we have come up with for this project is a 'co-management approach.' That means that the entire project is designed so that within five years there should be a local cadre of staff installed with the skills and preparedness take over the operation. A key element of our proposal was to declare that this is not a foreign managed hospital but rather a foreign management supported hospital. We categorically don't see ourselves as the private operator of the hospital. Instead we are the guys who deliver the international expertise to a local management team so as to enable them to take full charge of the day-to-day operations.

TH: we are here to take the chance, to bring the very best people together, and to deliver the best possible outcome at the end of the day.

NdR: We have heard lots of people talking about bad experiences in the past such as equipment that doesn't fit or that no one knows how to maintain because of a lack of after-sales service. Our

consortium strives to set that record straight and answer those questions. We are very confident that we have hit upon a winning formula and are looking forward to delivering up its benefits to the Algerian population.

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