THE DEVELOPMENT OF PIRNGADI HOSPITAL IN MEDAN

LOCATION: North Sumatera

Sector: Health	Sub-Sector: Hospital

Description:

Development of a new wing, existing building renovation, emergency and medical equipment in Regional Hospital of Medan Municipal and also to strengthen the hospital's operational capacity.

Estimated Project Cost : USD 40.9 Million

Financial Feabisility:
FIRR : 12.00 %
NPV : USD 38.1 Million

Estimated Concession Period : 10 Years

Government Contracting Agency : Mayor of Medan

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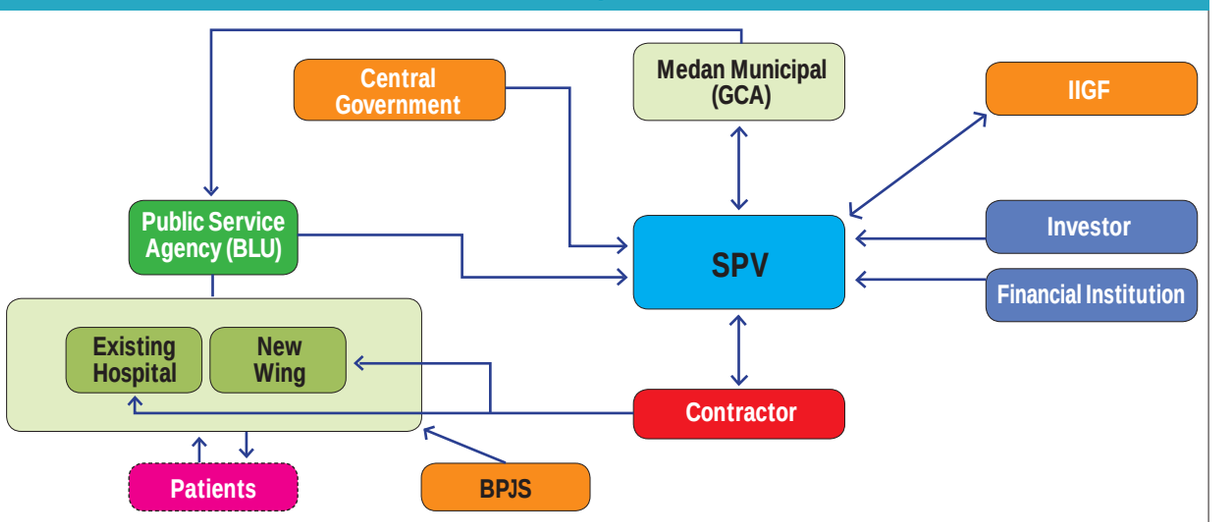
Indicative Preparation Schedule (Estimated)

Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q3 2019	Q3 2019
Final Business case (FBC)	Pre - Qualification	Request for Proposal	Bid Award	Contract Signing	Financial Close	Construction

Project Status : The project is currently on Final Business Case phase.

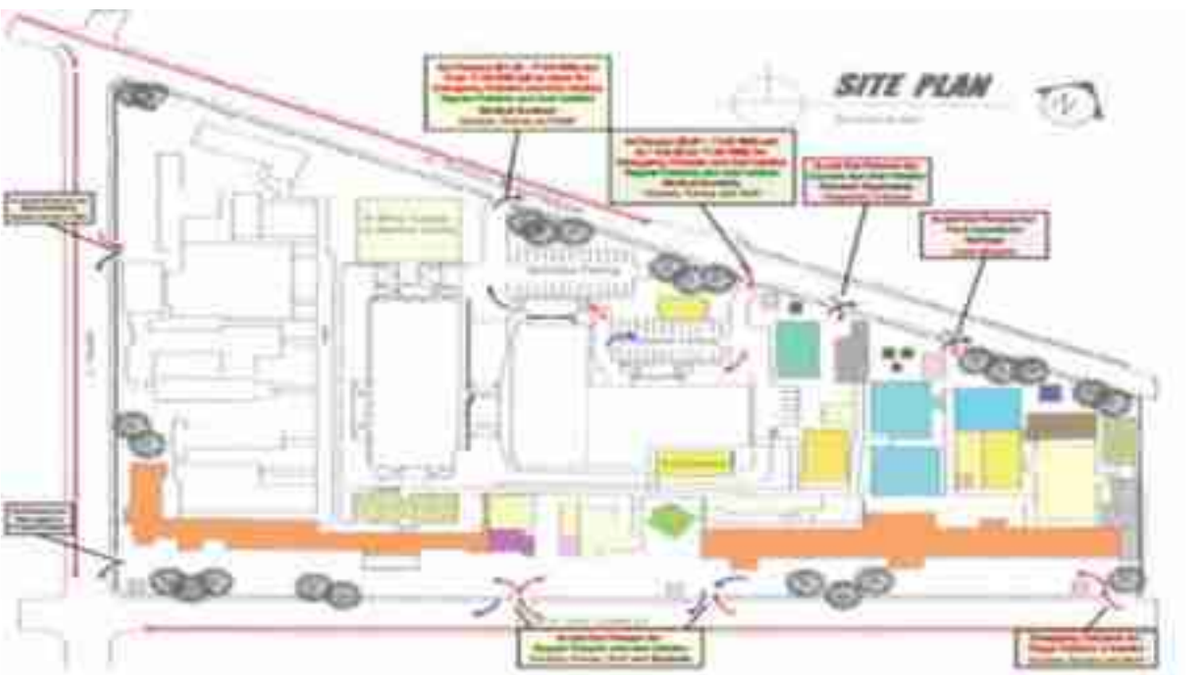
Indicative Project Structure



DIGEST PROJECTS

Project Title	:	The Development of Pirngadi Hospital in Medan
Government Contracting Agency	:	Mayor of Medan
Implementing Unit	:	Medan Municipal
Preparation Agency	:	Medan Municipal
Estimated Project Cost	:	USD 40.9 Million
Estimated Concession Period	:	10 Years
Location	:	Medan

1. Project Picture (Map and/or Illustration of Project)



2. The Opportunity

2.1. Project Background

Along with the development of the important role of Medan City as a metropolitan area, Medan City is expected to be able to meet the demands in providing services decent health for the wider community. To improve the health level in Medan City and the surrounding area, this can be done by improving the quality of the hospital. The main problem in improving the quality of service becomes an important issue especially related to the quality of public services in the health sector.

2.2. Project Description

Along with the demands of a good governance paradigm that requires the fulfillment of principles of accountability, transparency, responsiveness, and participation

in every activity organized by the local government, the improvement of health services in Medan City must also apply the paradigm. In line with the 2016-2021 Regional Medium-Term Development Plan (RPJMD), the strategic issue of RPJMD Medan City is to increase public satisfaction on the quality of public services every year. For these purposes, it is necessary to plan and implement the program and the development of existing health facilities in the city of Medan in order to be able increasing public service user satisfaction annually.

From the results of the Public Satisfaction Index Survey (IKM) on the services of patients who are hospitalized in RSUD Dr. Pirngadi Medan Year 2011 as many as 150 respondents who interviewed his opinion about his experience in obtaining services in RSUD Dr. Pirngadi Medan for inpatients as a whole with a rating of community satisfaction index of 72.47, with an index of 72.47, the quality of service in RSUD Dr. Pingadi Medan rated B, and rated performance B and IKM values based on inpatient class rooms, the highest in the VIP room of 76.69.

2.3. Project Objectives

1. Build a "New Wing" to improve healthcare to the patients, by providing advanced medical services, convenience and convenience compared to existing services.
2. Renovate existing hospital facilities by integrating with the New Wing and improving the efficiency and capacity in serving BPJS patients.
3. Strengthen the hospital's operational capacity by bringing in private expertise in areas such as facilities management and medical equipment, as well as procurement / maintenance.

3. Business Entity's Opportunity

Based on the results of a survey, one of the factors is the low quality of service due to the lack of facilities and infrastructure resources factor, ie medical equipment, either because they have not existed, damaged, or are not suitable for use. To establish or fulfill and improve the quality of the equipment then RSUD Dr. Pirngadi Medan City plans to build a dedicated Hospital building facility for VIPs that have better equipment and service quality in order to improve services for the community.

RSUD Dr. Pirngadi Medan is not only directed to serve the lower middle income community, but also must work on market segment from middle to upper class society. Therefore, facilities and infrastructure must be improved and accompanied by adequate social marketing. In addition, the existing human resources need to be upgraded to be able to answer the market challenge.

4. Project Technical Specifcation

- New Wing (Building, Land Scaping, Skybridge) 22,400 m2
- Existing Wing Renovation 21,900 m2
- Heritage Building Renovation 3,000 m2
- Emergency Unit Renovation 1,200 m2

5. Environmental Impact Assessment (AMDAL) Findings

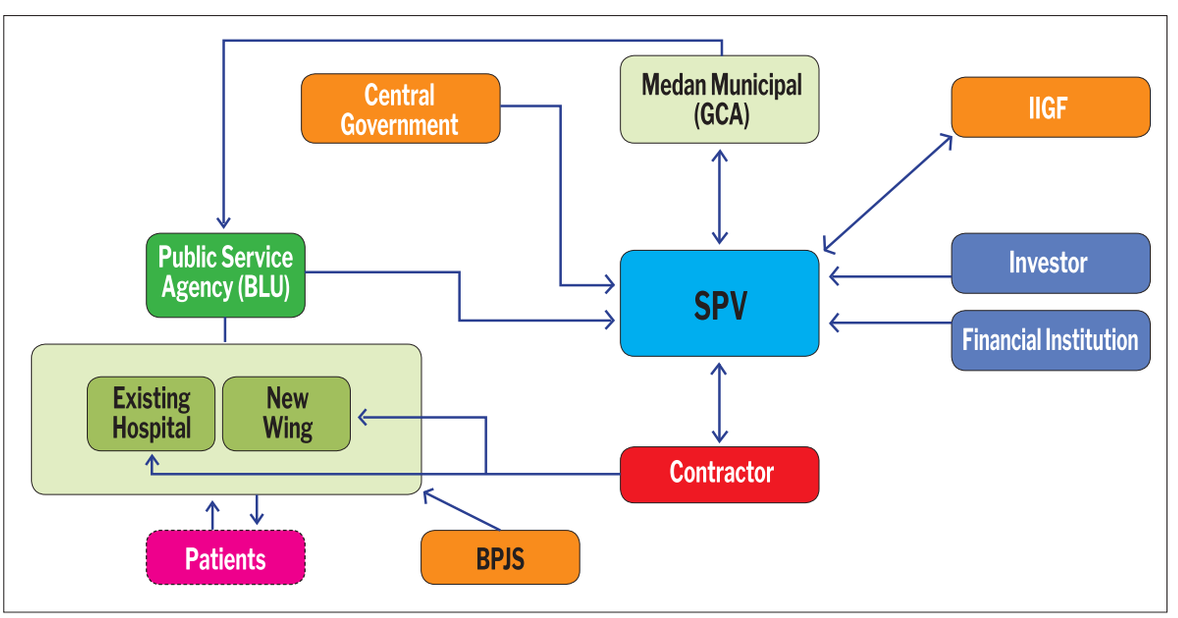
Based on Environment and Forestry Regulation No. 5 Year 2012, the construction project of Pirngadi Hospital Medan does not require AMDAL because the land area does not exceed 5 Ha. PJPK is required to prepare UKL-UPL documents to obtain environmental permit from the Environment Agency to implement the project.

6. Land Acquisition and Resettlement Action Plan

The construction project of Pirngadi Hospital Medan does not require Land Acquisition and Resettlement Action Plan (LARAP) because this project only reconstructs existing buildings. The Local Government owns the Property Right from the land.

7. Project Structure

Estimated project cost	USD 40.9 Million
Indicative debt to equity ratio	
– Debt level	70%
– Equity level	30%
FIRR	12.00%



8. Government Support and Government Guarantee

Based on PPP regulations, the Head of Medan Municipal Government will be the Government Contracting Agency project supported by Local Government Work Unit concerned.

For this project, Bappeda Kota Medan has a role to coordinate the planning phase from the side of Local Government. Medan City Health Agency will play a role in overseeing the management of Dr. Pirngadi. Hospital management together with Government elements Medan City clarifies the needs and point of view of the Local Government of the project.

IIGF as the guarantor can provide guarantees to improve the feasibility of the project, so as to attract more investors. In addition, PT. SMI can support Medan City Government in transaction stage by becoming transaction advisor. KPPIP-SF as JICA Technical Assistance to KPPIP, acting as consultant and advisor to related parties during the planning phase.

9. Project Implementation Schedule

10. Contact Information

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