



Notice of Meeting and Meeting Agenda Capital Regional Hospital District Board

Wednesday, March 13, 2019

1:00 PM

6th Floor Boardroom
625 Fisgard Street
Victoria, BC

Following the CRD Board Meeting

1. APPROVAL OF THE AGENDA

2. ADOPTION OF MINUTES

2.1. [19-305](#) Minutes for Adoption

Recommendation: That the minutes from the February 13, 2019 Capital Regional Hospital District meeting be adopted as circulated.

Attachments: [Minutes: February 13, 2019](#)

3. REPORT OF THE CHAIR

4. PRESENTATIONS/DELEGATIONS

4.1 Presentations

4.2 Delegations

5. ADMINISTRATION REPORTS

5.1. [19-310](#) Summit Project Contract Contingency Amendments

Recommendation: That the proposed administration limits on the respective trade contracts as outlined below be adopted.

(WA)

Attachments: [Staff Report: Summit Project Contract Contingency Amendments](#)
[Appendix A: Summit Trade Contract Contingency Forecast](#)

6. REPORTS OF COMMITTEES

7. BYLAWS

8. NEW BUSINESS

9. MOTION TO CLOSE THE MEETING

10. RISE AND REPORT

11. ADJOURNMENT

Voting Key:

NWA - Non-weighted vote of all Directors

NWP - Non-weighted vote of participants (as listed)

WA - Weighted vote of all Directors

WP - Weighted vote of participants (as listed)

Meeting Minutes

Capital Regional Hospital District Board

Wednesday, February 13, 2019

1:00 PM

6th Floor Boardroom
625 Fisgard Street
Victoria, BC

PRESENT: C. Plant (Chair), D. Blackwell (Vice-Chair), S. Brice, M. Brame (for B. Desjardins), J. Brownoff (for F. Haynes), L. Helps, M. Hicks, G. Holman, D. Howe, B. Isitt, J. Loveday, C. McNeil-Smith, R. Martin, R. Mersereau, K. Murdoch, G. Orr, J. Ranns, D. Screech, B. Parkinson (for M. Tait), N. Taylor, K. Williams, G. Young

STAFF: R. Lapham, Chief Administrative Officer; N. Chan, Chief Financial Officer; L. Hutcheson, General Manager, Parks and Environmental Services; K. Lorette, General Manager, Planning and Protective Services; K. Morley, General Manager, Corporate Services; T. Robbins, General Manager, Integrated Water Services; E. Gorman, Deputy Corporate Officer; P. Perna, Committee Clerk (Recorder)

REGRETS: Directors Seaton and Windsor

The meeting was called to order at 1:00 pm.

1. APPROVAL OF THE AGENDA

MOVED by Director Helps, **SECONDED** by Director McNeil-Smith,
That the agenda for the February 13, 2019 Capital Regional Hospital District
Board meeting be approved as circulated.
CARRIED

2. ADOPTION OF MINUTES

2.1. [19-150](#) Minutes for Adoption

MOVED by Director Helps, **SECONDED** by Director McNeil-Smith,
That the minutes from the January 9, 2019 Capital Regional Hospital District
meeting be adopted as presented.
CARRIED

3. REPORT OF THE CHAIR

The Chair had no reports.

4. PRESENTATIONS/DELEGATIONS

There were no presentations or delegations.

6. ADMINISTRATION REPORTS

There were no Administration Reports.

7. REPORTS OF COMMITTEES

Hospitals and Housing Committee

7.1. [19-095](#) Westshore Urgent Primary Care Centre Major Project Funding Request

K. Lorette provided an overview of the report.

MOVED by Director Helps, **SECONDED** by Director Screech,
That the Capital Regional Hospital District (CRHD) Board recommend:
1. That CRHD funding in the amount of \$1,272,000 be approved for the Westshore Urgent Primary Care Centre;
2. That CRHD Bylaw No. 395, "Capital Regional Hospital District Capital Bylaw No. 172, 2019" (for a maximum of \$1,272,000) be introduced and read a first, second, and third time.
CARRIED

MOVED by Director Helps, **SECONDED** by Director Holman
That the Capital Regional Hospital District (CRHD) Board recommend:
1. That Bylaw No. 395 be adopted; and
2. That CRHD provide Island Health a letter of support to designate the Westshore Urgent Primary Care Centre a health facility under Section 49 of the Hospital District Act.
CARRIED

8. BYLAWS

There were no bylaws.

9. NEW BUSINESS

There was no new business.

10. MOTION TO CLOSE THE MEETING

There was no closed meeting.

11. RISE AND REPORT

There was no rise and report.

12. ADJOURNMENT

MOVED by Director Martin, **SECONDED** by Director Mersereau,
That the February 13, 2019 Capital Regional Hospital District Board meeting be adjourned at 1:03 pm.
CARRIED

CHAIR

CERTIFIED CORRECT:

CORPORATE OFFICER

**REPORT TO CAPITAL REGIONAL HOSPITAL DISTRICT
MEETING OF WEDNESDAY, MARCH 13, 2019**

SUBJECT **Summit Project Contract Contingency Amendments**

ISSUE

The Summit at Quadra Village is being effectively managed through the use of advanced procurement methods. These methods oblige the Capital Regional Hospital District (CRHD) to form multiple trade contracts. The management group is now in a position to more accurately forecast the target final values of most of the contracts, and thus are recommending that the Board's contingency instructions be updated to match these forecasts.

BACKGROUND

The CRHD Board, under a Master Development Agreement with the Vancouver Island Health Authority (Island Health), has been developing the Summit at Quadra Village Project (the Summit) 320-bed complex residential care facility since 2014. The Summit will provide modern replacement beds for Oak Bay Lodge and Mt. Tolmie Hospital, facilities that have reached their end of life. The forecast final construction cost for the entire project including contingencies is \$69.3 million.

Since mid-2016, the CRHD has been progressively procuring and executing trade contracts to secure fixed prices for the many scopes of work the project requires.

As these contracts were executed, the Board allowed an industry-standard [usually 3%] contingency within which the management group were permitted to administer. It is important to note that the project remains under budget and is forecast to remain so. Appendix A summarizes the management team's recommended contingencies and forecast values on a contract-by-contract basis. The table in Appendix A forecasts decreases and increases for individual contracts. These are primarily the result of negotiated scope transfers from one contract to another.

ALTERNATIVES

Alternative 1

That the proposed administration limits on the respective trade contracts as outlined below be adopted.

Contract	Board Approved Contract Amount	Estimated New Final Contract Value
C-001 EXCAVATION	\$ 682,325.00	\$ 795,485.06
C-005 CONSTRUCTION	\$ 9,867,915.00	\$ 10,547,695.54
C-007 STRUCTURAL STEEL	\$ 539,000.00	\$ 581,160.86
C-008 ALUMINIUM RAILS	\$ 180,600.00	\$ 198,660.00
C-009 MILLWORK	\$ 1,116,293.00	\$ 2,229,788.55
C-013 PREFORMED METAL SIDING	\$ 2,025,881.00	\$ 2,116,258.74
C-017 DOORS, FRAMES, HARDWARE	\$ 1,223,975.00	\$ 1,291,663.36
C-021 ACOUSTICAL CEILINGS	\$ 543,750.00	\$ 560,740.24
C-022 RESILIENT FLOORING	\$ 1,099,640.00	\$ 1,148,174.54
C-023 EPOXY FLOORING	\$ 358,290.00	\$ 419,573.04
C-026 PAINTING	\$ 640,750.00	\$ 690,672.31
C-034 FOODSERVICE EQUIPMENT	\$ 1,219,259.10	\$ 1,259,709.65
C-035 WINDOW TREATMENTS	\$ 158,000.00	\$ 173,800.00
C-038 ELECTRICAL	\$ 5,879,172.00	\$ 6,537,724.79
C-039 COMMUNICATIONS	\$ 1,045,859.22	\$ 1,151,777.42
C-040 CIVIL	\$ 1,314,258.00	\$ 1,381,174.17
C-041 LANDSCAPING	\$ 589,819.50	\$ 611,232.75
C-043 FINISHING CARPENTRY	\$ 348,060.00	\$ 369,249.30
CRHD.2015-03 UNITECH CM	\$ 1,416,500.00	\$ 2,002,210.00

Alternative 2

That the report be referred back to staff for further consideration.

IMPLICATIONS

Financial Implications

There is no effect on the project budget or the overall construction budget, as all of the referenced additional costs are covered within the construction budget. The recommended adjustments will allow the management team to continue to direct the work, and to manage scope and budget in the best interests of the project and its partners without delays or limitations.

An additional item involves the extension of the Construction Management (CM) contract time and fees commensurate with unavoidable project delays. CM fees were originally set at \$1,416,500 + GST, and are now forecast at \$2,002,210 + GST under the provisions of the contract. These additional fees cover added manpower triggered by delays to the project timeline. The added fees have been allowed for in the overall construction budget.

The recommendation includes increasing overall contract values by \$3.23 million (M). This is offset by decreases of \$404,235 in other scopes. The overall effect is a \$2.83 M increase for contracts and \$585,710 for CM fees. The additional cost is covered under overall project contingency. After allocating the additional \$2.83 M (trade contracts) and \$585,710 (CM) there is still a balance of \$1.9 M remaining in the construction contingency. As 99.96 percent of contracts are committed we feel comfortable that this is sufficient and appropriate contingencies to be carrying through to project completion.

Timing Implications

Originally planned for April 2019, project completion is now scheduled for December 2019. The delay was the result of an unanticipated issue relating to foundation system works. These contract adjustments will allow the management and administration of the project to continue efficiently. The construction of the Summit at Quadra Village is a highly-anticipated priority project. The CRHD is contractually obliged to deliver this facility for Island Health’s tenancy which is anticipated to be in late 2019.

CONCLUSION

The proposed changes herein will allow the project staff to continue to manage the project to completion within the overall budget.

RECOMMENDATION

That the proposed administration limits on the respective trade contracts as outlined below be adopted.

Contract	Board Approved Contract Amount	Estimated New Final Contract Value
C-001 EXCAVATION	\$ 682,325.00	\$ 795,485.06
C-005 CONSTRUCTION	\$ 9,867,915.00	\$ 10,547,695.54
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C-041 LANDSCAPING	\$ 589,819.50	\$ 611,232.75
C-043 FINISHING CARPENTRY	\$ 348,060.00	\$ 369,249.30
CRHD.2015-03 UNITECH CM	\$ 1,416,500.00	\$ 2,002,210.00

Submitted by:	David Wilkinson, Architect AIBC, Consulting Project Manager
Concurrence:	Michael Barnes, MPP, Senior Manager, Health & Capital Planning Strategies
Concurrence:	Kevin Lorette, P.Eng., MBA, General Manager Planning & Protective Services
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

DRW: gm

Attachment: Appendix A – Summit Trade Contract Contingency Forecast

Appendix A

		A	B	C	D	E	F	
Division/Trades Contract		Original Tender Summary "Budget Amount"	Board Approved Original Contract Value	Board Approved Contingency Amount	Board Approved Original Contract Value Plus Contingency	Final Forecast Contract Value	Variance from Board Approved Contract Value	Explanation
				Col B x 3%*	Col C + D			
CONCRETE	C-005 Farmer Construction	9,138,756.00	9,867,915.00	296,037.45	10,163,952.45	10,547,695.54	679,780.54	Scope transferred from C-03 PILE CAPS / Coordination/ schedule adj/
	PILE CAPS	450,799.00	360,000.00	10,800.00	370,800.00	228,156.66	-131,843.34	Scope reduced and balance transferred to C-003 CONCRETE
	MASONRY	1,087,300.00	857,400.00	25,722.00	883,122.00	873,571.31	16,171.31	
STRUCTURAL STEEL	C-007 Alliance Engineering	383,800.00	539,000.00	16,170.00	555,170.00	581,160.86	42,160.86	Design changes/ Scope adjustments for field conditions/ elevator substructure added
	RAILINGS	75,600.00	180,600.00	5,418.00	186,018.00	198,660.00	18,060.00	Scope additions at ground floor
	CABINERY	1,212,100.00	1,116,293.00	33,488.79	1,149,781.79	2,229,788.55	1,113,495.55	Successful negotiation under unit rates for wedge-wall millwork in 320 rooms. Budgeted.
	PAINTING	86,100.00	75,700.00	2,271.00	77,971.00	77,251.00	1,551.00	
	SIDING	2,113,900.00	2,025,881.00	60,776.43	2,086,657.43	2,116,258.74	90,377.74	Inspector-required changes/coordination
	ROOFING	1,306,301.00	1,459,258.00	43,777.74	1,503,035.74	1,254,277.28	-204,980.73	Contract scope reductions
	DOORS+FRAMES	1,893,900.00	1,223,975.00	36,719.25	1,260,694.25	1,291,663.36	67,688.36	Negotiated scope and detail changes.
	FINISH CARPENTRY	469,926.00	348,060.00	10,441.80	358,501.80	369,249.30	21,189.30	Strategic finishing trade. Unit rates as required.
	GLAZING	2,350,100.00	2,540,242.00	76,207.26	2,616,449.26	2,614,321.31	74,079.31	
STEEL STUD + DRYWALL	C-019 Dryco Systems	5,728,200.00	4,775,000.00	143,250.00	4,918,250.00	4,875,397.43	100,397.43	
RESILIENT FLOORING	C-020 Hourigan's Flooring	63,000.00	43,800.00	1,314.00	45,114.00	45,114.00	1,314.00	
	CEILING	1,057,200.00	543,750.00	16,312.50	560,062.50	560,740.24	16,990.24	Coordination/ Detail improvements
	TILE	1,099,640.00	1,099,640.00	32,989.20	1,132,629.20	1,148,174.54	48,534.54	Threshold detail change in 320 rooms/ coordination
	EPOXY FLOORS	418,300.00	358,290.00	10,748.70	369,038.70	419,573.04	61,283.04	Budgeted scope addition/ Threshold detail/ Coordination
	PAINTING	416,600.00	640,750.00	19,222.50	659,972.50	690,672.31	49,922.31	Coordination/ Scope addition for Special Coatings scope [budgeted]
	SPECIALTIES	478,800.00	456,957.99	13,708.74	470,666.73	389,609.76	-67,348.23	
	HARDWARE	897,300.00	617,770.00	18,533.10	636,303.10	631,817.95	14,047.95	
	SHOWER ENCL	386,000.00	417,088.00	12,512.64	429,600.64	429,015.80	11,927.80	
FOOD SVCE EQUIPMENT	C-034 Russell Hendrix	700,000.00	1,219,259.10	36,577.77	1,255,836.87	1,259,709.65	40,450.55	Critical technical scope, subject to higher contingencies.
WINDOW COVERINGS	C-035 Rodco Interiors	158,000.00	158,000.00	4,740.00	162,740.00	173,800.00	15,800.00	Tennant altering shade density
	ELEVATORS	660,000.00	872,980.00	26,189.40	899,169.40	872,916.42	-63.58	
	PATIENT LIFTS	1,328,000.00	871,959.20	26,158.78	898,117.98	887,000.50	15,041.30	
	MECHANICAL	13,781,700.00	12,190,138.00	365,704.14	12,555,842.14	12,423,921.06	233,783.06	
	ELECTRICAL	8,369,099.00	5,879,172.00	176,375.16	6,055,547.16	6,537,724.79	658,552.79	Re-design and spec for primary conductors/ Design adjustments/ Coordination
COMMUNICATIONS	C-039 Houle Electric	1,004,900.00	1,045,859.22	31,375.78	1,077,235.00	1,151,777.42	105,918.20	VIHA requirement clarifications for critical systems
	EXCAVATION	795,334.00	682,325.00	20,469.75	702,794.75	795,485.06	113,160.06	Budgeted use of preferential unit rates for additional excavation scope
	PILINGS	1,107,971.00	1,117,555.00	33,526.65	1,151,081.65	1,117,555.00	0.00	
	CIVIL	1,152,695.00	1,314,258.00	39,427.74	1,353,685.74	1,381,174.17	66,916.17	Coordination and re-design due to inaccurate information
	LANDSCAPE	503,900.00	589,819.50	17,694.59	607,514.09	611,232.75	21,413.25	Design and scope amendments for tenant and community gardens
		\$ 60,675,221.00	\$ 55,488,695.01	\$ 1,664,660.85	\$ 57,153,355.86	\$ 58,784,465.77	\$ 3,295,770.76	

* average % for all trades contracts