

NANAIMO REGIONAL HOSPITAL DISTRICT

**SPECIAL BOARD MEETING
TUESDAY, FEBRUARY 27, 2001
7:30 PM**

(Nanaimo City Council Chambers)

A G E N D A

CALL TO ORDER

MINUTES

- 2-3 Minutes of the Regular Hospital Board meeting held February 13, 2001.
- 4-6 Minutes of the Project Building Committee, Central Vancouver Island Health Region held January 24, 2001. (for information)

DELEGATION

Phil Wright, Nanaimo Regional General Hospital, re Final Project Estimate for Phase 2 Construction - Nanaimo Regional General Hospital.

HOSPITAL

- 7-11 Final Project Estimate for Phase 2 Construction - Nanaimo Regional General Hospital.

NANAIMO REGIONAL HOSPITAL DISTRICT

**MINUTES OF THE REGULAR MEETING OF THE BOARD
OF THE NANAIMO REGIONAL HOSPITAL DISTRICT HELD ON
TUESDAY, FEBRUARY 13, 2001, AT 7:30 PM IN THE
NANAIMO CITY COUNCIL CHAMBERS**

Present:

Director G. Holme	Chairperson
Director L. Elliott	Electoral Area A
Director B. Sperling	Electoral Area B
Director E. Hamilton	Electoral Area C
Director D. Haime	Electoral Area D
Director J. McLean	Electoral Area F
Director J. Stanhope	Electoral Area G
Director R. Quittenton	Electoral Area H
Director J. Macdonald	City of Parksville
Director T. Westbrook	Town of Qualicum Beach
Director L. Sherry	City of Nanaimo
Director D. Rispin	City of Nanaimo
Director G. Korpan	City of Nanaimo
Alternate	
Director S. Lance	City of Nanaimo
Director B. Holdom	City of Nanaimo
Director L. McNabb	City of Nanaimo

Also in Attendance:

K. Daniels	Chief Administrative Officer
N. Connelly	Gen. Mgr. of Community Services
B. Lapham	Gen. Mgr. of Development Services
C. Mason	Gen. Mgr. of Corporate Services
M. Pearse	Manager of Administrative Services

MINUTES

MOVED Director Sherry, SECONDED Director McNabb, that the minutes of the regular Hospital Board meeting held December 12, 2000 be adopted.

CARRIED

MOVED Director McLean, SECONDED Director Hamilton, that the minutes of the Central Vancouver Island Health Region meetings held November 22, 2000 and December 13, 2000 be received for information.

CARRIED

HOSPITAL

Request for Cost Sharing – NRGH – Ultrasound Equipment.

MOVED Director Westbrook, SECONDED Director Stanhope, that the CVIHR be advised that the Nanaimo Regional Hospital District is prepared to cost share in the purchase by using funds from the 2001 budget approval of \$1,380,000.

CARRIED

MOVED Director Sherry, SECONDED Director McNabb, that correspondence be forwarded to the Minister of Health, the CVIHR and all other Regional Hospital Districts outlining our concerns that cost sharing formulas and cost sharing requirements have not been reconsidered in light of the reinstated health care funding the Province is receiving from the Federal government.

CARRIED

ADJOURNMENT

MOVED Director Sherry, SECONDED Director Rispin, that this meeting terminate.

CARRIED

TIME: 7:32 PM

CHAIRPERSON

GENERAL MANAGER, CORPORATE SERVICES



CENTRAL VANCOUVER ISLAND HEALTH REGION

MINUTES OF THE NANAIMO PROJECT BUILDING COMMITTEE

Held at 0830 hours, Wednesday, 24 January 2001

Administration Boardroom, Nanaimo Regional General Hospital.

Present: Jim Slater (Chair), Kevin Daniel, Phil Wright, George Holme and Jim Morris.

D. Robert (Recorder)

In Attendance: Jean Chandler (via telephone)

Regrets: N. Avery and W. Campbell

1.	<p>Call to Order The Chairman called the meeting to order at 0842 hours.</p>
1. (a)	<p>Introduction: Jim Morris P. Wright introduced Jim Morris, the new Project Manager for Phase 2 indicating that his office is located in the Facilities and Maintenance Department at NRGH. Mr. Morris will be attending the Value Analysis meeting scheduled for tomorrow.</p>
2.	<p>Architect's Report The Architect's Report was reviewed. M/S/G. Holme/J. Chandler that the Architect's Report be received. CARRIED.</p>
3.	<p>3.1 Agenda/Minutes M/S/G. Holme/J. Slater that the Agenda be adopted as circulated: CARRIED. 3.2 Review of Minutes of December 13th, 2000. M/S/G. Holme/J. Slater that the minutes of December 13th, 2000 be adopted as circulated CARRIED. J. Slater noted that following a discussion with N. Avery, an amendment was made to the November 22nd, 2000 minutes: <i>Under 8.1 MRI, the second bullet, second sentence should read:</i> "The letter from the CVIHR indicated approval was required of only \$1M for renovations which differed from the \$1.25M actually required."</p>
4.	<p>Business Arising from the Minutes None.</p>
5.	<p>BUDGET STATUS REPORTS</p>
5.1	<p>Phase 2 - Project #602267 K. Daniel reviewed Budget Status Report No. 033 in detail.</p>

	<p>The Equipment Consultants report and invoice were discussed relative to the progress in preparation of the equipment list.</p> <p>M/S/G. Holme/J. Chandler that Budget Status Report No. 033 in the amount of \$57,520 be approved.</p> <p>CARRIED.</p>
<p>5.2</p>	<p>Ambulatory Care Remediation – Project #602097</p> <p>K. Daniel reviewed Budget Status Report No. 009 in detail.</p> <p>J. Chandler requested details concerning the \$173.00 invoice from Bull Housser and Tupper. P. Wright indicated that it related to an in-camera issue.</p> <p>M/S/ J. Slater/J. Chandler that Budget Status Report No. 009 in the amount of \$173.00 be approved.</p> <p>CARRIED</p> <p>M/S/ G. Homer/J. Slater that the regular meeting be recessed and the In-Camera session convene.</p> <p>CARRIED.</p>
<p>6.</p>	<p>Project Reports</p>
<p>6.1</p>	<p>Phase 2 – Project #2050106</p> <p>6.1.1 Project Update (Schedule “A”)</p> <ul style="list-style-type: none"> ➤ P. Wright reported that the Draft Design Development Report is complete and the Value Analysis has been scheduled for tomorrow. Several items have been added as a result of the VA process resulting in additional costs. These include the relocation of the elevators to the building exterior, the extension of one elevator up one additional floor and the seismic reinforcement of the building from the second floor down to the foundation. These proposals will be discussed in detail at tomorrow’s VA meeting. ➤ P. Wright noted that elevator relocation and extension although not part of the schematic design scope would provide a significant clinical benefit. P. Wright indicated that extension of seismic structural upgrading below the second floor to more closely approach present seismic standards was also not part of the original project scope or cost estimate. ➤ Discussion ensued regarding the possibility of reinforcing the entire building structure including all those floors above the second. It was agreed that it would be discussed further with the structural engineer and the cost consultants at tomorrow’s VA meeting. ➤ J. Chandler indicated that the Ministry may be willing to add to the budget to provide for the additional structural upgrading not included in the original scope. ➤ J. Chandler recommended that the Committee establish priorities of these various items before tomorrow’s meeting. <p>M/S/ J. Slater/G. Holme that members agreed that these items be addressed in the following priority:</p> <ol style="list-style-type: none"> 1. Moving the elevators to the outside to the second floor; 2. Extending the elevator to the third floor; 3. Seismic upgrade of the ground and first floor; and, 4. Seismic upgrading of floors above the second floor. <p>It was previously determined in the NRGH Master Plan that it would be more economically and practically viable to remove the upper three floors than reinforce and renovate these areas although</p>

CVIHR Nanaimo Project Building Committee Minutes

	<p>this would not occur until after the construction of a new nursing tower.</p> <p>M/S/ G. Holme/J. Slater that the Phase 2 – Project #2050106 be received.</p> <p>CARRIED.</p>
6.2	<p>Ambulatory Care Remediation – Project #2050113</p> <p>6.2.1 Project Update (Schedule "A")</p> <p>P. Wright reported that the Ambulatory Care Remediation Project construction began last week. As the tender for the construction exceeded the budget, the consultant David Kayll of Morrison Hershfield was asked to negotiate a reduced Scope for the project to allow the work to progress within the original budget. A proposal was submitted to delete repairs on the back of the building and the link. As these areas are quite sheltered from the weather this deletion was considered to be low risk and the contract was awarded on this reduced scope and cost. P. Wright indicated that he was very impressed with the contractor who indicated that the project will be complete within two to three months.</p> <p>M/S/ J. Slater/J. Chandler that the Ambulatory Care Remediation – Project #2050113 be approved.</p> <p>CARRIED</p>
6.3	<p>MRI Facility</p> <p>6.3.1 Project Update (Schedule "A")</p> <ul style="list-style-type: none"> ➤ The budget request for the renovation project to house the MRI has been submitted to the Ministry of Health. ➤ P. Wright noted that if installation of the MRI is to occur early in 2002 approval of funding for the design should occur almost immediately. Construction of the new building could take up to one year. ➤ J. Chandler agreed to approach the MOH about the status of the project request. <p>M/S/ G. Holme/J. Slater that the MRI Facility report be received.</p> <p>CARRIED.</p>
7.	<p>Old Business</p> <p>None.</p>
8.	<p>New Business</p> <p>None.</p>
9.	<p>Correspondence</p> <p>None.</p>
10.	<p>Date and Time of Next Meeting: February 21st, 2001 at 0803 hours.</p>
11.	<p>Adjournment</p> <p>There being no further business, the meeting adjourned at 0910 hours.</p>

J. Slater, Chairman
 CVIHR - Nanaimo
 Project Building Committee
 pww.dr



REGIONAL DISTRICT OF NANAIMO			
FEB 22 2001			
CHAIR		GMCMS	
CAO		GMDS	
GMCMS		GMES	
JPD			✓

**NANAIMO REGIONAL
HOSPITAL DISTRICT
MEMORANDUM**

TO: C. Mason
General Manager, Corporate Services

DATE: February 22, 2001

FROM: N. Avery
Manager, Financial Services

FILE:

SUBJECT: Final Project Estimate for Phase 2 Construction at Nanaimo Regional General Hospital

PURPOSE:

To seek Board support to cost share in the final estimate for Phase 2 construction at Nanaimo Regional General Hospital.

BACKGROUND:

At its meeting held February 21st, 2001 the Project Building Committee which oversees major capital projects within our Regional District for the Central Vancouver Island Health Region, was provided cost estimates following the final design stages for the surgical/obstetric rooms to be constructed under the Phase 2 loan authorization adopted earlier by the Board. The Board adopted Bylaw 119 in July, 2000 – this authorized cost sharing in a project estimate of \$22,905,794.

The project has been proceeding through design development, part of which involves an independent value analysis to ensure that the most effective and cost efficient design is ultimately built. The value analysis recommended increasing the scope of work initially planned for seismic upgrading to include the two floors below where the construction is actually taking place. The Province is encouraging taking advantage of opportunities to improve seismic qualities where active projects are taking place and consequently, has reconsidered the scope of seismic upgrading for this project. The following costs have been projected for two options. Option 1 costs builds a project to the original approved scope – this includes minimal seismic work required in the actual construction location. Option 2 costs include seismic reinforcement of the two floors below the construction area.

Phase 2 Estimate	Option 1	Option 2
Original construction cost estimate	\$22,905,794	\$22,905,794
Budget adjustments during design	(390,298)	(390,298)
Revised project estimate – Option 1	\$22,515,496	\$22,515,496
Additional seismic upgrading	Nil	1,277,844
Revised project estimate – Option 2		\$23,793,340
Planning funds already approved	950,000	950,000
Revised overall estimate	\$23,465,496	\$24,743,340

The Project Building Committee made two recommendations:

1. That the project estimate under Option 1 be approved.
2. That the Regional Hospital District be approached for cost sharing in Option 2.

ALTERNATIVES:

1. Reconfirm the original loan authorization and cost sharing in a maximum project cost of \$22,905,794 and endorse proceeding with the original construction scope.
2. Approve cost sharing in a revised project estimate of \$23,793,340 and amend Bylaw 119 accordingly.
3. Reconfirm the original loan authorization and cost sharing in a maximum project cost of \$22,905,794 and request that the Province fully fund the seismic upgrading.

FINANCIAL IMPLICATIONS:

Alternative 1

The project estimate under Option 1 is within the loan authorization approved in July , 2000. At the current cost of \$22,515,496, the Hospital District would borrow about \$390,300 less than initially estimated. The cost savings would be about .33 cents per \$100,000 annually. This option builds a project within the original scope and budget authorized by the Province.

Alternative 2

The loan authorization would be increased to \$23,793,340; \$887,546 higher than the approved loan authorization. The Hospital District would borrow an additional \$355,018 at a cost increase of .30 cents per \$100,000 annually. This option includes reinforcing the floors below the construction location, in the weakest part of the facility.

Alternative 3

It is unlikely that at this late date the Province would commit to fully funding the additional costs. The Province would have the option of proceeding with Option 1 if it did not receive Hospital District cost sharing approval. It is unknown whether this option would delay the project in a significant way,

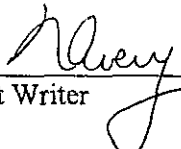
SUMMARY/CONCLUSIONS:

The Project Building Committee for the Central Vancouver Island Health Region was provided two cost options to construct Phase 2 at its meeting held February 21st, 2001. Option 1 at a cost of \$22,515,496 reflects an overall lower budget than currently authorized under Bylaw 119, and constructs a project to the original specifications approved by the Province. Option 2 at a cost of \$23,793,340 addresses seismic deficiencies identified by a value analysis of the project and would increase the original approved budget by \$887,546. The cost to construct under **Option 1** would be about **.33 cents less** per \$100,000 annually – the cost to construct under **Option 2** would be about **.30 cents more** per \$100,000 annually. The Project Building Committee recommended seeking support from the Board for cost sharing in Option 2.

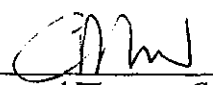
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RECOMMENDATION:

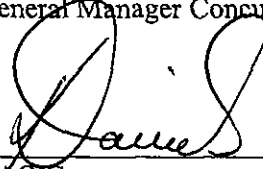
1. That cost sharing in Phase 2 be authorized for an amended project estimate of \$23,793,340.
2. That "Nanaimo Regional Hospital District (Phase II Completion) Capital Amendment Bylaw No. 119.01, 2001" be introduced for three readings.
3. That "Nanaimo Regional Hospital District (Phase II Completion) Capital Amendment Bylaw No. 119.01, 2001" having received three readings be adopted.
4. That correspondence on the above noted items be forwarded to the Central Vancouver Island Health Region.



Report Writer



General Manager Concurrence



CAO Concurrence

COMMENTS:

NANAIMO REGIONAL HOSPITAL DISTRICT
CAPITAL AMENDMENT BYLAW NO. 119.01

WHEREAS the Board of the Nanaimo Regional Hospital District proposes to amend Capital Bylaw No. 119, 2000;

AND WHEREAS those capital expenditures have received the approval required under Section 23 (5) of the Hospital District Act;

NOW THEREFORE the Board of the Nanaimo Regional Hospital District enacts the following Capital Amendment Bylaw as required by Section 32 of the Hospital District Act:

Section 2 shall be amended to read:

The Board authorizes and approves the borrowing of a net sum not exceeding \$9,509,336.00 upon the credit of the District by issuance and sale of securities in a form and a manner agreed to by the British Columbia Regional Hospital District Financing Authority. The term of the securities and repayment of the principal and interest shall be over a term not exceeding 20 years.

Schedule 'A' shall also be amended to correspond with the above.

This bylaw may be cited for all purposes as "Nanaimo Regional Hospital District (Phase II Completion) Capital Amendment Bylaw No. 119.01, 2001".

Introduced and read three times this 27th day of February, 2001.

Adopted this 27th day of February, 2001.

CHAIRPERSON

GENERAL MANAGER, CORPORATE SERVICES

Schedule 'A' to accompany "Nanaimo Regional Hospital District (Phase II Completion) Capital Amendment Bylaw No. 119.01, 2001"

Chairperson

General Manager, Corporate Services

SCHEDULE 'A'
NANAIMO REGIONAL HOSPITAL DISTRICT
(PHASE II COMPLETION) CAPITAL
AMENDMENT BYLAW NO. 119.01, 2001

Name of Facility	Project or Equipment Description	Project Number	RHD Share (40%)	Province (%)	Other Share (Specify) (%)	Total Project or Equipment Cost
Nanaimo Regional General Hosp.	Phase II (Completion)	602267	\$9,517,336.00	\$14,276,004.00	Nil	\$23,793,340.00