

Minutes of the Meeting of the MICs Board of Directors
Wednesday, January 26, 2022 – 18h00
Via Zoom (BMH Lead Site)

ANSON GENERAL HOSPITAL	
x	Danielle Delaurier – Chair
x	Ann Zsigmond – Vice-Chair
x	Fern Morrissette – Treasurer
R	Darcy Cybolsky – Municipal Representative
BINGHAM MEMORIAL HOSPITAL	
x	Bob Dennis – Chair
x	Oswald Silversen – Vice-Chair
	Vacant – Treasurer
x	Jenny Gibson – Municipal Representative
LADY MINTO HOSPITAL	
x	Pat Dorff – Chair
x	Susan Nelson – Vice-Chair
	Vacant – Treasurer
x	Desmond O’Connor – Municipal Representative
MICs GROUP OF HEALTH SERVICES	
x	Paul Chatelain – MICs Chief Executive Officer
x	Isabelle Boucher – MICs Chief Nursing Officer
x	Dr. Joey Tremblay – MICs Chief of Staff
x	Dr. Auri Bruno-Petrina – MICs President of Medical Staff
GUESTS	
x	Suzanne Gadoury – MICs Executive Assistant (<i>Recording Secretary</i>)
x	Gail Waghorn – MICs Chief Financial Officer
x	Randy Knox - Delegation

1.0 Call to Order & Chairs Remarks (B. Dennis)

- 1.1 The chair opened the meeting and welcomed everyone. He then inquired if there were any declarations of conflict of interest. There were none.

2.0 Approval of Agenda (B. Dennis)

The agenda was reviewed.

Motion:

Moved by: P. Dorff

Seconded by: A. Zsigmond

Be it resolved,

THAT the MICs Board of Directors approve the board agenda as presented.

Carried.

3.0 Trustee Education / Presentations

3.1 SCM Redevelopment Delegation – R. Knox

- The presentation was provided for information
- Mr. Knox introduced himself and provided his credentials
- He then presented the following items:
 - What is Project Management
 - How to Measure Project Success
 - Status of Technical Information & Drawings requested through FIPPA process
 - Status of Project Management documents requested through FIPPA process
 - Concerns
 - Conclusions
 - Recommendations
 - The Board members and other guests were invited to ask questions.
 - The CEO thanked Randy for the amount of work he put into his presentation and agrees that we are far from ready to put the shovel in the ground as we still need to submit an updated Financial Budget, including financing and fundraising plans for the ministry's review before they can hold their public consultation.
 - The full presentation is attached to the minutes.
- Board members were invited to ask questions.

4.0 Approval of Minutes (B. Dennis)

4.1 Minutes of the MICs Board of Directors meeting held November 24, 2021 were provided for information.

Motion:

Moved by: D. O'Connor

Seconded by: D. Delaurier

Be it resolved,

THAT the MICs Board of Directors approve the minutes of the meeting held November 24, 2021 as presented.

Carried.

5.0 Follow-Up Items

5.1 Review of the 2021-2022 Board Work Plan

- The Board Work Plan was reviewed for the month of January.
- The HR Statistics were presented in November
- The Board Peers and Board Chairs Assessments have been emailed to the board; results will be reviewed at a separate meeting.
- The Corporate Scorecard, Hospital Narrative and Hospital Work Plan are being presented today.
- The follow-up of the Chief of Staff's goals and objectives from his performance review will be done later this month
- The Board is not required to approve the HAPS at this time.

6.0 MICs Finance

6.1 November 2021 Operating Statements – G. Waghorn

- Chief Financial Officer gave an update of the financial statements for all sites

BMH:

- Hospital operating at a deficit of ~\$63,953 at the end of November
- Total Operating Revenue - \$6,019,348
- Total Operating Expenses - \$6,085,301

AGH:

- Hospital operating at a surplus of \$540,554 at the end of November
- Total Operating Revenue - \$7,884,348
- Total Operating Expenses - \$7,343,795

SCM:

- Operating at a deficit of ~\$193,411 at the end of November
- Total Revenue - \$4,232,651
- Total Expenses - \$4,426,062

LMH:

- Hospital operating at a deficit of ~\$451,348 at the end of November
- Total Operating Revenue - \$10,553,479
- Total Operating Expenses - \$11,004,827

VM:

- Operating at a deficit of ~\$135,065 at the end of November
- Total Revenue - \$2,104,032
- Total Expenses - \$2,239,097

Motion to approve November 2021 Operating Statements

Moved by: A. Zsigmond

Seconded by: J. Gibson

Be it resolved,

THAT, the MICs Board of Directors approve the November 2021 Financial Statements for Bingham Memorial Hospital, Anson General Hospital, South Centennial Manor, Lady Minto Hospital and Villa Minto as presented.

Carried.

6.2 January 2022 Capital Report – G. Waghorn

- The document was provided for information.
 - AGH: freight elevator project is in progress; the passenger elevator modernization / engineering is in progress; the paving/resurfacing of parking lot is on hold due to seasonal restrictions; medical vacuum system in penthouse is in progress; main electrical switch gear is in progress; negative air conversion is anticipated to be at least double the budgeted price
 - BMH: new plumbing in basement hallway is in progress; Rosedale extension is in progress; exterior doors and window replacement is deferred; medical vacuum system is in progress; both negative air units and alarm projects are anticipated to be at least double the budgeted price; project might not be completed before March 31st and might need to be carried over until next year
 - LMH: lab phase II is in progress; AHU#1 into AHU1a and AHU1b project is in progress; AHU#3 replacement is in progress; paving/resurfacing of parking lots is on hold due to seasonal restrictions; pharmacy upgrade is in progress; surgical innovation fund is on hold; waiting for approval of reception renovation; kitchen renovation is in progress; negative air room projected to be at least double the budgeted price
 - The report also indicated some of the upcoming projects, some of which are on

hold due to budget issues.

6.3 Approval of Financing ONE Capital Expenditure

- The document was provided for information.
- The projected live date of this project is April 2023
- Will be borrowing about \$6M to be repaid over a 15-year period for this project
- Will need money to pay for this capital project; reserves are earmarked for infrastructure costs
- All hospitals are pursuing a loan through TD
- A recommendation on Interest Rate Hedging and Foreign Exchange Hedging will be coming to a future meeting.
- Next step is to sign a letter agreement in order to enter into a loan agreement with TD

Motion to approve the loan agreement

Moved by: D. O'Connor

Seconded by: P. Dorff

Be it resolved,

THAT, the MICs Group of Health Services is authorized to borrow from TD Commercial Banking sums of money not to exceed \$6,000,000 Canadian at a rate of prime rate + .085%, term not to exceed 15 years to finance the capital contribution required to implement the ONE project and to sign, execute and endorse all such documents as may be required by said bank to evidence such indebtedness as presented.

Carried.

7.0 Presentations/Reports (B. Dennis)

7.1 Chief Executive Officer Report: (P. Chatelain)

- The report was provided for information.
- The CEO provided the following overview:
 - COVID-19 update:
 - We have implemented our policy on vaccines for the MICs Group of Health Services (non-mandatory) and the Ministry of Long-Term Care policy for LTC (mandatory). We now have COVID cases in our community. South Centennial Manor is in a COVID outbreak as is Lady Minto Hospital.
 - We are still under the Ministry's Directive 2 with respect to ramp down of services.
 - Most of our LTC residents have received their fourth vaccine and many staff have received their booster shot. LTC staff are working hard taking care of the residents. They're doing the best they can despite the outbreak. Board members have offered to help in any way they can. There has been some negative press today but people don't see all the good work that is being done.
 - We continue to run and staff three Testing centers; 2 days per week in Cochrane and in Iroquois Falls and 1 day in Matheson.
 - We met with the Ministry on next steps for the SCM redevelopment. An updated Financial Budget, including financing and fundraising plans, will have to be submitted for their review before their public consultation. This should be completed in the next few weeks.
 - Capital Projects are coming in over budget and some may need to be deferred due to cost. Other projects are being delayed due to material and contractor unavailability. Significant delayed projects include Lab Phase II at LMH, Air

Handling Unit for VM; freight elevator at AGH and Medical vacuum system upgrade at BMH.

- Dr. Stryde has arrived in Iroquois Falls and will be working at the IFFHT and AGH. Our ED shifts at AGH are covered by locums from EDLP (Health Force Ontario) and filled until the end of March 2022. Dr. Gray has agreed to stay on another year at BMH until August 2023.
- The new Foundation Coordinator position has been filled and commences January 31, 2022.
- The Moose FM Radiothon was a success and raised over \$4,500 towards the Anesthetic gas machine.
- Board Members were invited to ask questions.

7.2 Chief Nursing Officer Report: (I. Boucher)

- The CNO reported on the following items:
 - Nursing recruitment and retention: despite advertising and interviews of a few applicants, we have RN and RPN vacant positions that we have been unable to fill. Staff absenteeism due to illness and COVID has contributed to staffing shortages in addition to vacant positions. We have the help of agency nurses to help with these shortages.
 - COVID-19: our greatest challenge is health human resources with the circulation of Omicron in our communities; PHU provided a structured approach in managing staffing; our infection control officer and employee health nurse are stretched to the max; their hours of work have been staggered to cover the week and give them some time off
 - QIP: has been developed and shared with all stakeholders; no guidance documents were released for 2022/23.
 - Accreditation Canada has advised that all surveys for January, February and March are deferred until further notice. Our survey has been rescheduled to October 2022.
- Board members were invited to ask questions.

8.0 **Medical Staff** (Dr. S. Tremblay)

8.1 Chief of Staff Report:

- Dr. Tremblay provided a verbal update on the following:
 - Still recruiting for two physicians per site
 - Dr. Gray will be increasing his patient days per month
 - Dr. Stryde will slowly start ER at LMH under Dr. Chiang's supervision
 - Not seeing so many patient hospitalizations for COVID; it is affecting many departments, especially in nursing
 - High ALC rate at LMH; received crisis designation; ALC patients should be entering LTC homes quicker but we have not seen that yet
 - Reduced to one day a week for OR and only urgent cases; this was lifted today but still can't increase OR days due to nursing shortages

8.2 Medical Advisory Committee Minutes

- Minutes of the MAC meeting held November 17, 2021 were provided for information.

9.0 **LHIN / MOHLTC Business** (P. Chatelain)

9.1 N/A

10.0 MICs Quality Committee (I. Boucher)**10.1 Review of 2021-2022 Corporate Scorecard**

- The data for Q2 was provided for information.
- It was presented at the Quality Committee last week
- In terms of overall performance, we are sitting mostly in the optimal and good zones
- Percentage of Total Alternate Level of Care: AGH and BMH are red; this is very hard to control in all the hospitals
- Discharged Summary: only LMH is red for this indicator and there are various reasons for this
- Medication Reconciliation at Discharge: all three sites are below target and should be at 100%; will be working with nursing leadership to address this

10.2 2021-2022 Hospital Narrative & Work Plan

- The documents were provided for information and require board approval
- The QIP was put on pause due to the pandemic but we were advised that it needs to be approved by the board and posted on our website which did not give us much time to develop one; it is only good until March 31, 2022
- We have decided to work on the indicators that we are already working on
- Our indicators are: Alternate Level of Care Days; Improve patient experience in the in-patient unit; Percentage of Leadership Walkrounds where workplace violence is discussed and Improve compliance with hand hygiene before and after patient contact

Motion:

Moved by: F. Morrissette

Seconded by: O. Silverson

Be it resolved,

THAT the MICs Board of Directors approve the Hospital Narrative and Hospital Work Plan as presented.

Carried.

10.3 Quality Committee Minutes

- Minutes of the Quality meeting held September 8, 2021 were provided for information.

11.0 Physician & HR Recruitment

11.1 N/A

12.0 Indigenous and French Language Issues

12.1 N/A

13.0 Site Business (B. Dennis)**13.1 Anson General Hospital:**

- N/A

13.2 Bingham Memorial Hospital:

- N/A

13.3 Lady Minto Hospital:

- N/A

14.0 Partnership Business (Bob Dennis)**14.1 November 2021 Board Effectiveness Survey Results**

- 13 out of 13 surveys were submitted.

14.2 January Board Effectiveness Survey

- The survey was emailed to the board members following the meeting.

14.3 IF Chamber of Commerce Fundraiser – P. Chatelain

- The Chamber of Commerce is offering to host a fundraising event and donate 50% of the profits to the MICs Group of Health Services.
- The Chamber would do all the work; we could all benefit from this opportunity
- All board members are in agreement; Danielle will contact the Chamber to advise them of this

15.0 In Camera**15.1 Motion to go in camera**

Moved by: A. Zsigmond

Seconded by: F. Morrisette

15.2 Discussion of professional staff hospital privileges**15.3 Motion to go out of in-camera**

Moved by: P. Dorff

Seconded by: J. Gibson

15.4 Approval of professional staff hospital privileges

Motion to approve Sara Martin's midwife privileges

Moved by: J. Gibson

Seconded by: F. Morrisette

Be it resolved,

THAT the MICs Board of Directors approve Sara Martin's midwife privileges in the courtesy category as recommended by the MICs Medical Advisory Committee as presented.

Carried.

Motion: approval of Dr. Zamé Engelbrecht's locum tenens privileges

Moved by: S. Nelson

Seconded by: A. Zsigmond

Be it resolved,

THAT the MICs Board of Directors approve Dr. Engelbrecht's locum tenens privileges as recommended by the MICs Medical Advisory Committee as presented

Carried.

Motion: approval of Dr. Erika Nakashoji's dentistry privileges

Moved by: D. O'Connor

Seconded by: P. Dorff

Be it resolved,

THAT the MICs Board of Directors approve Dr. Nakashoji's privileges in the dental

surgery program as recommended by the MICs Medical Advisory Committee as presented

Carried.

Motion: approval of Dr. Peter Stryde's hospital privileges in the active staff category

Moved by: A. Zsigmond

Seconded by: O. Silverson

Be it resolved,

THAT the MICs Board of Directors approve Dr. Stryde's active staff privileges as recommended by the MICs Medical Advisory Committee on condition that satisfactory references are received

Carried.

16.0 MICs News (B. Dennis)

- December 2021 and January 2022 MICs Newsletters were provided for information.

17.0 Next Meeting Date (B. Dennis)

- Wednesday, February 23, 2022 at 6:00 p.m. (AGH Lead Site) via Zoom

18.0 Upcoming Meeting Dates

- As per agenda.

19.0 Adjournment (B. Dennis)

- There being no further business, the meeting adjourned at 8:50 p.m.

CHAIR, Bingham Memorial Hospital

CHAIR, Anson General Hospital

CHAIR, Lady Minto Hospital

SECRETARY, MICs CEO

MICs Board of Directors Presentation - Jan 26, 2022

Is the Manor Project Ready for Construction?



Subject of the Presentation:

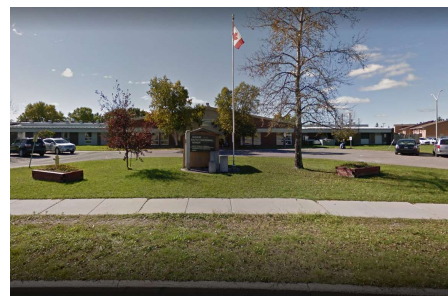
- South Centennial Manor Redevelopment Project

Background:

- Developed a technical interest in the South Centennial Manor Redevelopment (SCMR) Project after seeing a Mills Avenue Geotechnical Report (P-0017959 Draft R1) that was shared online
- Reviewed available online project information (very little)
- Submitted two Freedom of Information and Protection of Privacy Act (FIPPA) requests to obtain more information:
 - Technical information/drawings
 - Project Management documents
- Have reviewed the available documents received and would like to share my thoughts, concerns, and recommendations with the Board of Directors

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7. Conclusions
8. Recommendations
9. Questions



1. Personal Introduction – Professional Background

- Have lived in Iroquois Falls (off and on) since 1989
- Mechanical Engineer, 1984 Graduate
- Registered with Professional Engineers Ontario in 1993, P. Eng. licence number 90301854
- Project Management Professional (PMP) credential # 1339752 since 2010, Project Management Institute
- Have worked in the Pulp & Paper and Power Generation Industries on Capital Projects for 30 years
- Worked from 2010 through 2015 on Ontario Power Generation's Lower Mattagami River Project (\$2.5B) as Project Technical (Mechanical) Lead Coordinator
- Worked from 2018 through 2021 as a Project Manager on a project portfolio of approximately \$120M
- Retired in 2021

2. What is Project Management?

"Project management is the use of specific knowledge, skills, tools and techniques to deliver something of value to people."

Project Phases



Some businesses use a “gated approach” to move from one phase to the next, (i.e.) the required deliverables for the current phase are reviewed(“have you done your homework?”) prior to advancing to the next phase

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Project Triple Constraint



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Project Cost Estimate Classification Matrix

(from American Association of Cost Engineering International (AACEI))



Estimate Class	Primary Characteristic	Secondary Characteristic			
	Level of Project Definition Expressed as % of complete definition	End Usage Typical purpose of estimate	Methodology Typical estimating method	Expected Accuracy Range Typical +/- range	Preparation Effort (\$k) Typical Degree of effort (\$25M assumed project cost)
Class 5	0% to 2%	Screening or Feasibility	Stochastic or Judgement	L: -20% to -100% H: +40% to +200%	1
Class 4	1% to 15%	Concept Study or Feasibility	Primarily Stochastic	L: -15% to -60% H: +30% to +120%	2.5 to 5
Class 3	10% to 40%	Budget, Authorization, or Control	Mixed, but Primarily Stochastic	L: -10% to -30% H: +20% to +60%	4 to 12.5
Class 2	30% to 70%	Control or Bid/Tender	Primarily Deterministic	L: -5% to -15% H: +10% to +30%	6 to 25
Class 1	50% to 100%	Check Estimate or Bid/Tender	Deterministic	L: -5% H: +10%	12.5 to 125

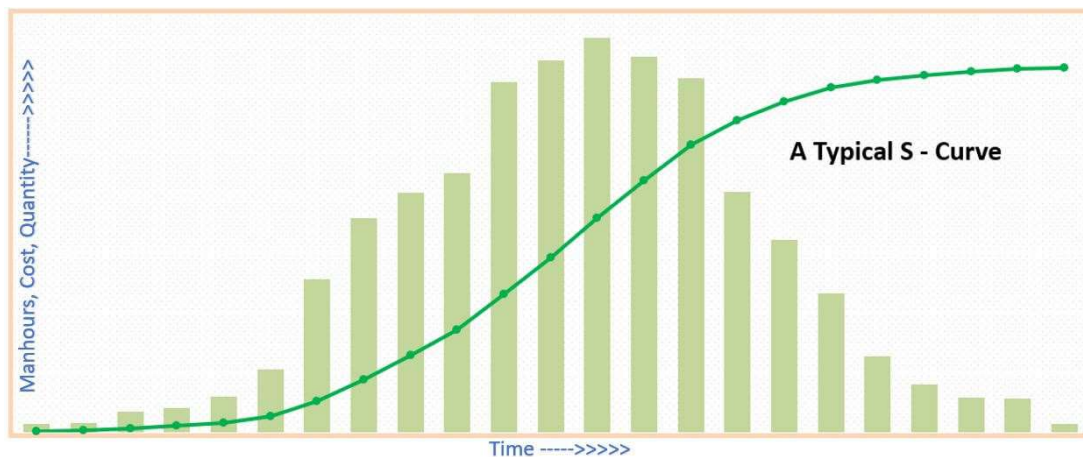
Notes:

- An estimate is typically a living document, becoming more detailed and accurate as the project progresses, from the Initiation through Development phases.
- Stochastic modelling presents data and predicts outcomes that account for certain levels of unpredictability or randomness.
- Deterministic modelling gives you the same exact results every time for a particular set of inputs.

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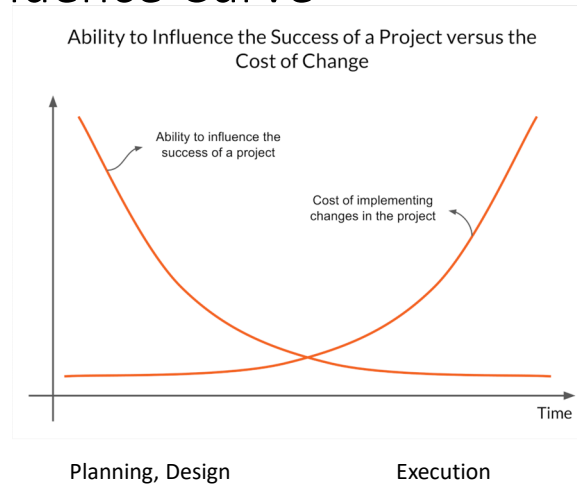
Project S-Curve



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Project Influence Curve



This is likely the most important takeaway from this presentation

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Timeline: Size/Location & Stakeholder Consultations

- Architecture 49 (A49) collected comments from SCM Administration & Staff on February 22nd & 23rd, 2017 and presented the results on March 16, 2017. At the time the Redevelopment was 69 beds on the same site. It does not appear that comments were solicited from SCM residents. It does not appear that there was any consultation on the future SCM site specifics or location
- A public presentation with sketches and concept drawings occurred in September 2017. At the time the Redevelopment was 69 beds on the same site.
- An open forum was held in May 2019. At the time the Redevelopment was 64 beds on the Mills Avenue site.
- A49 met with the MICs Board of Directors on October 10, 2019 to discuss the Redevelopment. At the time the Redevelopment was an undetermined number of beds(three options under consideration) on the Mills Avenue site.
- The Redevelopment project bed size appears to have become 96 beds by January 2020.

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3. How to Measure Project Success

- Schedule
- Quality
- Cost
- Stakeholder Satisfaction
- Performance to Business Case



Two personal observations:

- The results are usually proportional to the level of effort and planning
- Effective communications cannot be over-stated, there is no such thing as too much communication

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4. Technical Information & Drawings requested through the FIPPA process and their respective status (green indicates information received, red indicates a partial response or no information received)

- The Request for Proposal (RFP) or Request for Quotation (RFQ) issued, including all supporting documents, Consultant Selection Process (Tender Evaluation Criteria and weightings) details, all clarifications and addenda,
- The Architecture49 Inc proposal/quotation submitted, including all supporting documents, all proposal revisions, changes, and clarifications,
- The MICs/AGH contract and/or purchase order awarded to Architecture49 Inc., including all contract change orders and/or purchase order revisions,
- All Architecture49 Inc. monthly and/or progress reports, no information received, (unknown if these items exist)
- All MICs/AGH and Architecture49 Inc. Minutes of Meetings, including meetings held in April 2019 and May 2019,
- With respect to the proposed new South Centennial Manor location on Mills Avenue, Iroquois Falls all Geotechnical Reports, Investigations, and Borehole Reports prior to or subsequent to Englobe Report No. P-0017959-0-00-100-01-R1.
- With respect to the current site of the South Centennial Manor (240 Fyfe Street, Iroquois Falls) and adjacent properties, all Geotechnical Reports, Investigations, and Borehole Reports. This request would include all historical Geotechnical Reports available from the 1960's design and construction phases.
- All site topographic surveys, including Option A and Option B locations.
- All site general arrangements and/or site plans drawings.
- All Architecture49 Inc studies or reports of alternative sites considered, including respective cost estimates,
- Electrical Single Line Diagram (SLD),
- Piping and Instrumentation Diagram (P & ID) including Mass Balance, if available,
- Site Services Diagram, including natural gas, potable water, fire services water, sanitary sewer, storm sewer
- All other Architecture49 Inc. drawings and sketches produced.

Some of the requested documents have been received, including some Site Plan, Building Perspectives, and Room Plans have been shared. No detailed design drawings (90% complete) have been received, and it is unknown if they exist or not. Without reviewing any of the detailed design drawings requested it is impossible to determine if the design work has advanced to a stage where a Construction Contract can be successfully awarded.

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5. Project Management Documents requested through the FIPPA process and their respective status

- a. Project Charter,
- b. Project Business Case,
- c. Basis of Design document,
- d. Project Scope of Work (SOW),
- e. Project Budget,
- f. Project Execution Plan (PEP) and/or Project Management Plan (PMP),
- g. Project Schedule,
- h. Project Responsible, Accountable, Consulted and Informed (RACI) Matrix,
- i. Project Risk Register,
- j. Project Stakeholder Management Plan,
- k. Project Stakeholder Register,
- l. Project Communications Plan,
- m. Project Change Management Plan,
- n. Project Lessons Learned

None of the requested documents are available.

The Project currently seems to be managed without structure, potentially a very risky (costly) strategy.

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6. Concerns:

What is the problem to be addressed by this project?

- How has the problem been identified and quantified?
- What will be the evaluation criteria for a successful project?

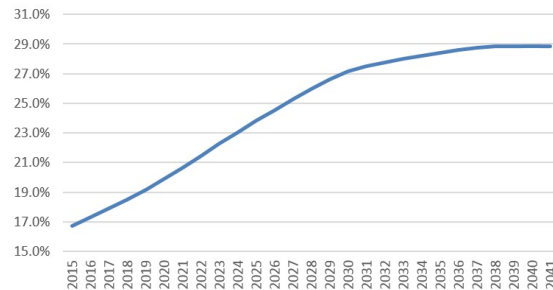
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Concern: SCMR Size (number of beds)

This is a slide provided by Architecture 49 in a June 25, 2019 presentation:

Percentage of Population 65 Years Plus Cochrane District



Source: Ontario Ministry of Finance

Questions:

- What does this curve mean with respect to the number and type of beds that will be required in the future?
- What is the expected population of the catchment area over the same time period?

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Concern: SCMR Size(continued)

Sizing and design of the new facility should take into consideration the following factors(as a minimum):

- Current demographics of the catchment area population
- What is the current age of a Resident moving into the Manor, how many years do they typically live in the Manor?
- How many people are currently on the Manor waiting list (at this time there are approximately eleven people in the ALC wing of Anson General waiting to enter the Manor)
- Current average length of time on the waiting list before admission to the Manor
- Future demographics of the catchment area population(age, sex, culture, religion, dementia issues, other factors)
- What are the demographics of a future Manor Resident?
- If these factors are not considered in the design of the new facility what is the probability that the project will be successful and meet the needs of the community?
- Through my FIPPA requests I have not seen any documents identifying what information has been used to determine the size of the new facility, they may exist, but I have not seen them.
- Where did the 96-bed facility size come from?

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Concern: SCMR Size(continued)

The following chart outlines the maximum Per Diem funding that is available under the *Construction Funding Subsidy Policy for Long-Term Care Homes, 2019*.

Construction Funding Subsidy Per Diem Components	Construction Funding Subsidy Policy for Long-Term Care Homes, 2019
Base Per Diem	\$18.03
Home Size	Small LTC home, up to 96 beds - Add \$1.50
	Medium LTC home, 97-160 beds - Add \$0.75
	Large LTC home, 161 beds and over - Add \$0.00
Basic Accommodation Beds	Percentage of basic accommodation beds in a LTC home between 40%-60% - Add \$3.50 or a prorated amount (See Construction Funding Subsidy Policy for Long-Term Care Homes for further details)
Maximum CFS Per Diem	\$23.03
One-Time Planning Grant for Not-For-Profit Long-Term Care Homes	\$250,000.00
Design Variance Standards	Where variances from design requirements are permitted, applicable reductions from the CFS Per Diem may apply (See Construction Funding Subsidy Policy for Long-Term Care Homes for further details)

- If the facility has 96 beds, the Ministry will potentially provide SCM with \$53k per year, for 25 years
- If the facility has 97 beds, the Ministry will potentially provide SCM with \$27k per year, for 25 years

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Concerns(continued)

- Communications
 - Stakeholder communications appear to be limited and sporadic
 - Very limited information posted on the SCM website
- Stakeholder Involvement
 - Collected comments from Administration, Staff & Community in February 2017, this was a good start, but does not appear to have continued
 - Stakeholder consultations are lacking and incomplete
 - Disposition of comments received is unknown. Typically there would be a Comment Resolution Form (CRF) to document decisions made with respect of the comments received, (i.e.) will this particular item be included in the design or not, and supporting information and facts?
 - Were there any undocumented meetings with Residents and Staff, in particular with respect to location?
 - What about Paramedics, Fire Department, First Nations, Funeral Director, etc
 - What about our diverse community makeup- First Nations, Jewish, Muslim, Hindu, others?
 - Fire & Life Safety – protection of residents with dementia?
- Consideration of alternate sites – no documents available to evaluate
- Risks – Geotechnical, inflation, scope creep, increased construction costs, discovery work, contingency, schedule, others?
- Scope of Work – more accurate when based upon Stakeholder consultations

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Concerns: Project Estimate - June 2020 Ministry Application - Excerpt

3.1 Project Financial Overview

Estimated Project Costs		Sources of Funds	
Land and Associated Development Costs		Sources of Funds	
Land	\$0.00	Cash on Hand	\$1,500,000.00
Soils and Environmental	\$30,000.00	Future or Additional Equity Contributions	
Planning		Outstanding Fundraising required (non-profits only)	\$6,250,000.00
Zoning and Approvals	\$2,500.00	Sub-Total:	\$7,750,000.00
Other (specify):		Proposed Debt Financing	\$17,384,000.00
Site Plan Control Agreement	\$2,500.00		
Sub-Total:	\$35,000.00		
Hard Construction Costs			
Construction Costs	\$23,000,000.00		
Demolition			
Other (specify):			
Sub-Total:	\$23,000,000.00		
Soft Construction Costs			
Architecture and Engineering Services	\$1,200,000.00		
Legal Services			
Project Management Services	\$0.00		
Accounting Services			
Other Consultants	\$0.00		
Surveying	\$25,000.00		
Development Charges	\$0.00		
Approvals, Inspections and Permits	\$10,000.00		
Municipal Levies, Charges and Building Permits	\$144,000.00		
Property Taxes During Construction			
Insurance and Bonding	\$720,000.00		
Pre-Opening Expenses – Commissioning			
Financing Fees			
HST (less any rebate)			
Contingency	\$2,098,000.00		
Sub-Total:	\$2,098,000.00		
Other Costs			
Interest Expense During Construction	\$0.00		
Furniture, Fixtures and Equipment			
Total Stranded Debt			
Sub-Total:	\$0.00		
Estimated Total Project Costs:		Total Sources of Funds:	
\$25,134.0		\$25,134.0	

- Questions remain with respect to the identified items
- With respect to the project budget/estimate it is unknown what the estimate is based upon, and the classification(accuracy range) of the estimate, so a budget review is not possible at this time

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Concerns(continued)

- Budget
 - Are costs for site services including natural gas, electrical power, potable water, sanitary sewer, storm sewers included? Have the service providers been consulted? If some of these costs are to external accounts, are cost sharing agreements in place?
 - Current estimate does not include Testing & Commissioning design and execution costs
 - The annual inflation rate in November 2021 was 4.7%
 - In the past year the price of steel has increased by 200%, lumber by about 50%, copper 33%
 - Some building trades labour costs are forecast to increase by 2 – 3% per year
 - Design budget is currently \$1.2M (from 2016, based upon \$20M construction cost and a 6% factor)
 - A49 has invoiced approximately \$350k up to November 2019, not sure if there have been any invoices since. What is the Cost Performance Index (CPI is a measure of the financial effectiveness and efficiency of a project) for the work performed to date? In other words, what design deliverables has A49 produced?
 - As per a Guideline published by the Royal Architectural Institute of Canada, for a LTC Facility, the basic design fees would typically range from 6.4 to 7.5% of the direct construction cost, currently estimated at \$23M, or approximately \$1.5M to \$1.8M
 - Disposition of Cambridge Avenue site if another site is selected for the new build, are demolition costs & sale of the property included in the SCMR project Scope of Work?
 - Is a Quality Management Plan in place?
 - As per A49 recommendation, has a third-party estimator been retained?
 - In the event of project delays what is the impact to the budget(budget sensitivity)?

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Concerns(continued)

The importance of the Geotechnical investigations and design should not be underestimated.

- During construction of the Abitibi No. 8 Paper Machine part of the site excavation failed.
- During the construction of the Abitibi Secondary Treatment Plant, Abitibi retained the services of two senior and independent Geotechnical Experts to review all design and technical reports
- During construction of the new Smoky Falls Generating Station there was a failure of the tailrace bedrock excavation
- Consideration should be given to engaging an independent third-party Geotechnical Engineer to provide design oversight services



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7. Conclusions

Based upon the documents that I have received and reviewed, if this project continues into the Execution (construction) Phase in the same manner as the Project is currently being managed I would have a low confidence that this project will be successful and there may be a significant, unbudgeted cost over-run.

The question asked was “Is the Manor Project ready for Construction?”

My response is no.



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8. Recommendations

MICs Board of Directors to pass the following motions:

1. Direct Administration to engage a professional Project Manager to perform a review of the Project (if deemed necessary).

and

2. Direct Administration to stop the SCM Redevelopment project from entering the Execution (construction) phase and/or procuring any major services until a Board of Directors motion to resume the project has been passed.
3. Direct Administration to execute the Project following good Project Management practice, as per Slide 13.
4. Direct Administration to produce(if not currently available) a professional report of the optimal number of beds required, type of beds, security and safety requirements, and demographics of the clients (age, life expectancy, sex, culture, religion, dementia needs/constraints, etc) for the next 25 years.
5. Direct Administration to resume the Stakeholder Reviews and to solicit input from all Stakeholders and to document the comments and disposition of same
6. Direct Administration to produce a Project Definition Phase Business Case
7. Direct Administration to produce a Class 1 project estimate, following AACEL guidance.
8. Direct Administration to engage the services of a third-party Geotechnical expert to review and provide recommendations to Administration of all Geotechnical reports, design documents, and drawings.
9. Direct Administration to complete all Purchase Requisitions and Purchase Order Changes prior to execution of the relevant work.
10. Direct Administration to complete a review of FIN-560 Policy to ensure project compliance with same, and to revise the Policy as required to follow sound procurement practice.



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Questions?



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Contact Information

If anyone wishes to contact me on this subject please do:



- (705) 232-4470 (H)
- (705) 266-4108 (M)
- knoxrandy3@gmail.com