

**NATIONAL PAEDIATRIC HOSPITAL DEVELOPMENT BOARD
("NPHDB" or the "Board")**

**Minutes of the NPHDB Board Meeting held on 5 September 2018
from 16.00 to 19.40
Herberton Boardroom, St. James Walk, Rialto, Dublin 8**

Attendance (Board)

Tom Costello (Chairman)
Tim Bouchier-Hayes (By Phone)
Brian Fitzgerald
Karl Kent
John Martin
Anne Butler
Prof. Hilary Hoey
Paul Quinn
Liam Woods
Marguerite Sayers

Apologies

John Cole
Lorcan Birthistle

Attendance (Other)

Norman Craig, Commercial Advisor
Phelim Devine, Design Director
Jim Farragher, Finance Officer
Fidelma Burke, On behalf of The Secretarial
Company Limited –
Board Secretary

John Pollock, Project Director
Pat Molloy, Construction Director
Declan Holmes, Commercial Director
Neil Vaughen, Project Controls
Richard Fitzpatrick, Director Project Controls

Apologies

Dr Emma Curtis, Medical Director
Vivienne Feaheny, On behalf of The Secretarial
Company Limited –
Board Secretary

Agenda No.	Specific Issues/Decisions	Action By
GOVERNANCE		
Quorum & Chairman		
	The Chairman noted that a quorum, being 5 Board Members, was present and the Meeting proceeded to business.	N/A
1	DECLARATIONS OF INTEREST OR CONFLICTS	
	<ul style="list-style-type: none"> Following enquiry, it was noted that there were no new declarations of interest or conflicts to be declared. 	Noted
2	PREVIOUS MINUTES	
2.1	Minutes of Previous Board Meeting	
	<ul style="list-style-type: none"> The Minutes of the previous Meeting held on 1 August 2018 were approved and Tom Costello was authorised to sign them. 	Approved
2.2	Review of Matters arising	
	<ul style="list-style-type: none"> The Chairman reviewed the current actions on the action list. Updates were provided and noted on the action list. The following actions were reviewed in additional detail: Action 60: Mazars issued their draft report in advance of the workshop that was held on 30 August 2018. The report would then be brought to the Audit & Risk Committee . Action 66: It was noted that the design team's preparation for the submission of an amending fire cert application was ongoing. A date would be agreed for the final issue following completion of the GMP. 	<p>Update to Action 60</p> <p>Update to Action 66</p>

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3	SI REMIT	
3.1	GMP UPDATE	
<i>i) Update from John Pollock</i>		
	<ul style="list-style-type: none"> The Board was informed that both the HSE and Department of Health ("DoH") had been briefed in relation to GMP trending versus the Business Case Construction Budget that was approved in April 2017. The Board was further informed the final deadline for cost submissions by BAM had been 17 August 2018 however, on 24 August 2018, additional correspondence and construction costs submittals had been received from BAM and this resulted in a further delay in concluding the GMP process. The Board noted that Phase B works to be brought forward into Phase A works has not been instructed, as approved by the Board at their August 2018 Meeting. . The Board was informed that EY had compiled the Cost Benefit Analysis ("CBA") for the Equipping Procurement Strategy Project Board to submit for CHP & P review . The report had been reviewed and accepted by:- <ul style="list-style-type: none"> Equipment Procurement & Project Team on 3 August 2018; Equipment Procurement Strategic Project Board on 9 August 2018; CHGB Capital Project Sub-Group on 27 August 2018; and The CBA Report will be brought to the Finance and Procurement Sub Committee for review prior to bringing to the Board. 	<p>Noted</p> <p>Noted</p> <p>Noted</p> <p>Noted</p>
<i>ii) GMP Status Presentation – Design Team</i>		
	<ul style="list-style-type: none"> The Board noted that the continued and primary focus of the NCH Design team, Contractors and NPHDB executive was the 	

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	<p>close out of the GMP process.</p> <ul style="list-style-type: none"> • Prior to the Design Team's presentation, the Board was reminded of how ambitious this project was. The Board was provided with a historical analysis of the steps that had to be taken in order to award a tender. There was little interest nationally and internationally and it was very difficult to secure bidders. The tenders submitted were substantially higher than budgeted and funding was a significant challenge; receipt of tenders in October 2016 was a challenging and unpredictable time and it took until October 2017 for construction to commence.. With the benefit of hindsight delivering Value Engineering was going to be challenging. Within the last 2 weeks a very substantial cost claim was submitted by the main contractor. • The Design Team (BDP/OCMA, Arup, Linesight & Arup) gave a detailed presentation on the overall GMP process, role of the Independent Expert, original 2016 tenders, agreed budget, Value Engineering, current overall GMP trending, overview of M&E claims and recent substantial main contractor claims. The Design Team identified substantial increased cost (with examples) due to; <ul style="list-style-type: none"> ○ User Change ○ Design Development ○ Statutory ○ Omissions in Design/BoQ • <i>The Design Team left the meeting</i> • The Board noted that the GMP process and independent expert determination was continuing. • The Board expressed their grave concern in relation to; <ul style="list-style-type: none"> ○ The current GMP trending figures substantially in excess of Budget ○ The substantial quantum of claims from all contractors and the late submittal of large claims by one contractor, frustrating and delaying the process. ○ An increasing level of uncertainty in relation the overall construction costs, timelines and decision to award of Phase B works. 	<p>Noted</p> <p>Noted</p> <p>Noted</p> <p>Noted</p> <p>Noted</p>

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	<ul style="list-style-type: none"> The Board agreed a number of key next steps; <ul style="list-style-type: none"> An additional 3-month period at no cost or delay to the project is required to conclude the GMP process. Only a robust GMP is acceptable and this includes an overall programme and full integration by the main contractor in relation to M&E scope of work. The Board emphasised the need to work around completeness of documentation to include packages, drawings, rfi, specification and drawings and to ensure a robust contract was in place. The Board noted the performance of BAM to date during the Phase A construction works fell far short of what would be expected from a Tier 1 Contractor. BAM had not demonstrated that they were adequately resourced to do the Phase A works. In the event of and prior to a Phase B award the contractor would need to address this issue. 	<p>Noted</p> <p>Noted</p> <p>Noted</p>
3.2 GMP RANGE AND BUDGET UPDATE – Declan Holmes		
	<p>Based on the Design Team presentation on the GMP, the Board was informed about a possible GMP range and overall project budget update (with exclusions, SEO, hyper-inflation etc). An assessment of Contractor's Claims and associated risks were reviewed.</p> <ul style="list-style-type: none"> The Board noted that disputed cost issues must be referred by the Design Team to the Independent Expert for determination. <p>The Board recommended the following actions:</p> <ul style="list-style-type: none"> A contingency Plan B in the event GMP would not be awarded and to seek advice from Blackrock Experts on Plan B from their experiences. This plan would be developed over the next 2-3 weeks. Add this as an agenda item also. Develop a structure to manage events going forward and nominate persons on a subcommittee to work with executive to manage the following two options going 	<p>Noted</p> <p>Noted</p> <p>Noted & Action Item 78</p> <p>Noted & Action Item 79</p>

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	<p>forward; 1. Conclude the GMP process 2. We revert to Plan B and don't award GMP</p> <p>Again, seek advice of Blackrock Experts on Plan B from their experiences.</p> <ul style="list-style-type: none"> • Prepare a briefing Memo for key stakeholders (HSE, DoH) on the current situation and the next steps. This would be circulated to Board members. • Engage with PR advisors Q4 to prepare and map out both scenarios relating to the two options and their impacts etc. • Have the Design Team close out packages and value determinations with Independent Expert and also to close out on completeness of individual packages (drgs, specs, BoQ) • Establish an Audit and Review of what has happened from receipt of Tenders in October 2016 to now in relation to the GMP process & cost. Process would be agreed with the Audit & Risk Committee • Write to BAM mapping out the delay to Phase A for which they are responsible for and the consequence of this was a delay to Phase B instruction for which there can be no cost or programme implications and arrange a follow up meeting with BAM. 	<p>Noted & Action Item 80</p> <p>Noted & Action Item 81</p> <p>Noted & Action Item 82</p> <p>Noted & Action Item 83</p> <p>Noted & Action Item 84</p>
3.3 CONSTRUCTION UPDATE – Pat Molloy		
	<ul style="list-style-type: none"> • An update on the progress of the main construction works since the last Board Meeting was presented with main activities relating to: (a) Excavation, (b) Piling, (c) Utility Tunnel and (d) Drimnagh Sewer • (a) Excavation:- the bulk excavation had increased in August but it was still behind weekly targets over the past month. Overall, it was 17,000m3 behind target to the end of the year. There were large volumes close to release with the Drimnagh Sewer completion and H7 anchoring complete. The bulk dig was advancing to full extent of B2 south along the St James hospital boundary. • (b) Piling:- the raking anchors installation along Cameron square was continuing well to the North side. Also to the North side the capping beam was in progress from Rialto to Mount Brown and the capping beam infilled sections along the SJH 	<p>Noted</p> <p>Noted</p> <p>Noted</p>

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	<p>boundary along with the anchoring was complete. Regarding the frame, the production was slightly behind re-baselined target and in B2 South, 3 significant slab pours was complete. The key target for September 2018 was to finish capping beam from Rialto entrance to Mount Brown and complete anchoring releasing large quantities of remaining bulk dig and floor plate in the North; recommence piling production in the remaining sections.</p> <ul style="list-style-type: none"> • (c) Utility Tunnel:- Demolition of old Utility Tunnel was complete as far as possible and the Utility Tunnel external water proofing had been completed. The key target was to register the Utility tunnel for BCAR. • (d) Drimnagh Sewer:- the manhole construction slowed in August 2018 however the programme to connection date was still early September 2018. The key target was to connect the Drimnagh Sewer diversion (temporary by-pass) • The Board noted the old UG tanks at the SJH Energy Centre had been demolished. • The Board noted that the calls relating to dust had declined. The Board further noted that the majority of calls related to the noise issue for residents in Cameron Square and O'Reilly Avenue. • It was noted that four tower cranes had been installed and in use. • A 'Construction Dash Board Report' dated August 2018 was circulated to the Board. This included various key performance indicators relating to Health & Safety, Environmental, Earthworks, Piling, Design Packages etc. It was noted that there were 31,441 man hours on site in August 2018, with an average number of 195 personnel and there were no health and safety incidents to report. The Board noted that the accident frequency rate ("AFR") was 0.30 per 100,000 hours. • The Board noted the progress at the satellite site at Tallaght and in particular that the external hoarding on the decant and crèche was almost all removed. It was further noted that the service tie-ins were progressing well; the external landscaping and external façade was near completion however significant 	<p>Noted</p> <p>Noted</p> <p>Noted</p> <p>Noted</p> <p>Noted</p> <p>Noted</p> <p>Noted</p>

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	<p>issues remained with the Sub-Contractors progress.</p> <ul style="list-style-type: none"> The satellite site construction at Connolly was continuing well with mechanical and electrical installations on all levels. The Board noted that room closures were now ongoing on the top floor.. The Board noted the key targets for the next period; September 2018. <i>Paul Quinn left the Meeting</i> 	<p>Noted</p> <p>Noted</p> <p>Noted</p>
3.4 D8 URBAN REGENERATION JOINT WORKING GROUP – John Martin		
	<ul style="list-style-type: none"> The report of the Dublin 8 Regeneration Joint Working Group ("the Group") named "Maximising the Potential" and EY's second report "The Dublin 8 Health and Innovation Hub" encompassing the innovation district was presented to the Board by the Chair of the Group. The report covered issues of pressing concern to the three hospitals and to the City Council which included how the three hospitals benefit the local community; the importance of place-making; creating a healthcare innovation district (EY) and providing affordable housing for key hospital staff. The Board endorsed the reports. 	<p>Noted</p> <p>Noted</p> <p>Noted & Approved</p>
3.5 FINANCE		
<i>(i) Financial Results July 2018 – Jim Farragher</i>		
	<ul style="list-style-type: none"> A report of the financial results for July 2018 was presented to the Meeting, copies of which had been circulated to the Board in advance. It was reported that actual costs for July 2018 were €1.7m over plan, which was mainly attributable to Construction costs. It was further reported that payments for July 2018 totalled €12.1 million. The Board noted all the purchase orders raised in July 2018 as contained within the report. 	<p>Noted</p> <p>Noted & Approved</p>

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	<ul style="list-style-type: none"> The Board noted that the total spend to date was €196,214,654. The Board approved the following change orders: <ul style="list-style-type: none"> 245 – for BDP which included additional scope to assist the Board in the performance specification of Group 3 & 4 furniture and fixtures for all public areas within the hospital 250 – for BAM which included service diversion costs at Tallaght, this included additional services discovered during construction which was unforeseen. The costs were associated with diverting two water mains, gas main and electrical diversions. 251 –for BAM which included a claim from Mercury Mechanical regarding the satellite site at Connolly with respect to the Bill of Quantities, measurement principal and specification changes. 	<p>Noted</p> <p>Noted & Approved</p> <p>Noted & Approved</p> <p>Noted & Approved</p>
4	CORRESPONDENCE	
	<ul style="list-style-type: none"> The Board noted the letter from BAM dated 24 August 2018 to Claire White OMCA re NCH GMP Process The Board further noted the response from the NCH dated 29 August 2018 to BAM re NVH GMP Process <i>All of Management in attendance left the Meeting</i> 	<p>Noted</p> <p>Noted</p> <p>Noted</p>

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5	AOB	
	<ul style="list-style-type: none"> A matter was discussed in the absence of the management team and it was noted that the Audit Committee would revert in connection therewith to the Board in due course. 	Noted
6	BOARD SUPPORTING DOCUMENTATION	
	<ul style="list-style-type: none"> Draft minutes of the Procurement Sub-Committee Meeting held on 27 August 2018 were noted. 	Noted
	<ul style="list-style-type: none"> National Acute EHR update for NPHDB September 2018 was noted. 	Noted
	<ul style="list-style-type: none"> Cost Benefit Analysis for Sourcing Solution – EY Report 	Noted

Next Meeting:

3 October 2018 in the Boardroom, Herberton, St. James Walk, Rialto, Dublin 8 at 16.00hrs.



Tom Costello
Chair