

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

**Minutes of the NPHDB Board Meeting held on 7 November 2018  
from 16.00 to 18.45  
Herberton Boardroom, St. James Walk, Rialto, Dublin 8**

**Attendance (Board)**

Tom Costello (Chair)  
Paul Quinn  
Tim Bouchier-Hayes  
Brian Fitzgerald  
Karl Kent  
John Martin  
Marguerite Sayers  
John Cole

**Attendance (Other)**

Norman Craig, Commercial Advisor  
Phelim Devine, Design Director  
Jim Farragher, Finance Officer  
Vivienne Feaheny, On behalf of The Secretarial  
Company Limited –  
Board Secretary  
Fidelma Burke, On behalf of The Secretarial  
Company Limited –  
Board Secretary  
John Pollock, Project Director  
Pat Molloy, Construction Director  
Richard Fitzpatrick, Director Project Controls  
Dr Emma Curtis, Medical Director  
Declan Holmes, Commercial Director

**Apologies**

Lorcan Birthistle  
Anne Butler  
Liam Woods  
Jonathan Hourihane

**Apologies**

Neil Vaughan, Project Controls

Agenda No.	Specific Issues/Decisions	Action By
<b>GOVERNANCE</b>		
<b>Quorum &amp; Chairman</b>		
	The Chairman noted that a quorum, being 5 Board Members, was present and the Meeting proceeded to business.	N/A
<b>1 DECLARATIONS OF INTEREST OR CONFLICTS</b>		
	<ul style="list-style-type: none"> <li>• Following enquiry, it was noted that there were no new declarations of interest or conflicts to be declared.</li> </ul>	Noted
<b>2 PREVIOUS MINUTES</b>		
<b>2.1 Minutes of Previous Board Meeting</b>		
	<ul style="list-style-type: none"> <li>• The Minutes of the previous Meeting held on 3 October 2018 were approved subject to a minor amendment and the Chair was authorised to sign same.</li> </ul>	Approved
<b>2.2 Review of Matters arising</b>		
	<ul style="list-style-type: none"> <li>• 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:</li> <li>• Action 66: It was noted that the Design team's preparation for the submission of an amending fire certificate application was ongoing. A date would be agreed for the final issuance following completion of the GMP.</li> <li>• Action 78 Closed</li> <li>• Action 81: Now that GMP had been determined a draft Communications Report and strategy would be discussed with the DoH.</li> </ul>	<p>Update to Action 66</p> <p>Noted</p> <p>Update to Action 81</p>

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	<ul style="list-style-type: none"> <li>Action 88: A meeting has been arranged with the CEO's of 4 Design team members to discuss the performance to date, extended requirements, the team structure, a dedicated leader and the overall function of the team, the calibre of resources in place to deliver the project and the accuracy and design completeness.</li> </ul>	Update to Action 88
<b>3</b>	<b>SI REMIT</b>	
<b>3.1</b>	<b>GMP UPDATE</b>	
	<i>i) Update from Declan Holmes</i>	
	<ul style="list-style-type: none"> <li>The Board was informed that the process to sign off packages with BAM, JEG and Mercury had been completed.</li> <li>The Board noted that the review and assessment of claims put forward by the contractors had also been completed.</li> <li>The Board was reminded that the DoH had requested a report from the Board with a comprehensive breakdown of factors and elements that increased the associated costs. It was further noted that at the Board's request, the CHP &amp; P Board meeting had been postponed to 16 November 2018 to enable the presentation of the report to them.</li> <li>A presentation on the draft "Process to GMP" report was presented to the Board by the Commercial Director.</li> <li>The Board was provided with a detailed background surrounding the beginning of the process of the GMP which highlighted the highly inflationary construction environment that was coupled with the lowest tender. The inflation at that time had been 3% and this had significantly increased and compounded from 2013 to 2018.</li> <li>The Board noted the breakdown of cost driver categories to include; User Engagement; Design Development (2 Stage and applied measure rates); Statutory Issues; and Omissions on the Design. The Board further noted that the fees originally bid for the project were not sustainable in the current market and</li> </ul>	<p>Noted</p> <p>Noted</p> <p>Noted</p> <p>Noted</p> <p>Noted</p> <p>Noted</p>



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	<p>that the inflation clause in the contract based on CPI did not reflect wage inflation in the industry which was generally aligned to construction inflation.</p> <ul style="list-style-type: none"> <li data-bbox="264 517 1166 768">• The Board deliberated and discussed in detail the measurement adjustment figures and user change; the design developments to include both mechanical and electrical figures and the Civil Structural and Architecture ("CSA"). With regards to the CSA side, the Board agreed that the biggest learnings deriving from this was that although the design was of a high standard, the value engineering was frustrated by Contractors.</li> <li data-bbox="264 819 1166 1256">• The Board discussed both the positive and negative lessons learned to date. The negatives encompassed the programme being overly optimistic in a 2 stage process; the underestimated timeframe; the design and the estimation process of quantities at tender stage particularly in relation to M&amp;E. The positives included the completion of the 2 stage tender two years earlier with approx. two thirds locked in at 2016 tendered rates and a guaranteed maximum price in place prior to award of phase B. The Board was provided with statistics and a comparison of international construction benchmarks surrounding the costs of a building of this magnitude per metre squared compared to other countries.</li> <li data-bbox="264 1308 1166 1592">• The budget breakdown and cashflow produced by the Commercial Director didn't line up with the Business Case therefore, the Board considered alternative options for project completion. The Board discussed the options extensively and <b>IT WAS RESOLVED</b> that Option 1 was the preferred option. This would be to continue with the existing contractual framework and instruct Phase B. The consequences of not instructing Phase B was also discussed at length.</li> <li data-bbox="264 1644 1166 1738">• <b>IT WAS FURTHER RESOLVED</b> subject to minor amendments and recommendations that the draft report be and is hereby approved and recommended for issue to the HSE..</li> <li data-bbox="264 1789 1166 1883">• The Board requested that a letter be sent to the Secretary General summarising the essence of the report and the timing of the GMP.</li> </ul>	<p>Noted</p> <p>Noted</p> <p>Noted</p> <p>Noted &amp; Approved Action 78</p> <p>Noted &amp; Approved</p> <p>Noted &amp; Update Action 91</p>

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<i>ii) Design Update – Phelim Devine</i>		
	<ul style="list-style-type: none"> <li>• The Board was informed that the Design team leader was continuing to coordinate Design team deliverables, RFI's, clarifications on design and measure, and agreed exclusions to correspond with the financial agreements being led by the Project QS.</li> <li>• The MEP Peer review had been completed and would be formally issued to the Design Sub-Committee on 7 November 2018.</li> <li>• The Board was informed that the NCH Design team were progressing well with the Independent Peer review of the model for LOD 300 compliance. The independent reviewer had been agreed between the Design team contractors. Work was to commence in November 2018 with completion by the end of November 2018.</li> <li>• The CSA review had been delayed as BAM now objected to the previously agreed company review.</li> <li>• The Board noted that the NPH Quality Manager had commenced a review of the BAM QA/QC procedures and had highlighted areas of improvement.</li> <li>• The NPHDB was working with the Design team to prioritise key IFC deliverables to ensure that everyone was well ahead of the Contractor for site activities for Phase A.</li> <li>• <i>John Cole left the meeting</i></li> </ul>	<p>Noted</p> <p>Noted</p> <p>Noted</p> <p>Noted</p> <p>Noted</p> <p>Noted</p> <p>Noted</p>
<i>iii) Construction Update – Pat Molloy</i>		
	<ul style="list-style-type: none"> <li>• An update on the progress of the main construction works since the last Board Meeting was presented relating to: (a) North, and (b) South</li> <li>• (a) North:- the capping beam was substantially finished from Rialto entrance to Mount Brown. A section under construction at the road entrance remained. The anchoring along the steep</li> </ul>	<p>Noted</p> <p>Noted</p>



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	<p>section of Mount Brown was in progress and the demolition of the Utility Tunnel was finished. The piling mat and the guide wall to infill the section was in progress.</p> <ul style="list-style-type: none"> <li>• (b) South:- with regards to B2, the mezzanine floor slabs were poured as far as possible and completion of this would be pending completion of B1 drainage. There was 1100sqm suspended slab poured with roll out reinforcement with respect to B1. Two more large pours were planned for mid-November 2018 which would complete the majority of the B1 south suspended slab. The under-slab drainage was underway in the western side however there was slow progress due to the working sequence and the working area.</li> <li>• The Board noted the key targets for November 2018 which included the finishing of the anchoring along the steep section of Mount Brown and installation of three props along Cameron Square and progression with the dig to formation. The Board further noted that all remaining sections of the secant wall piling would be completed and the installation of temporary piles to the North of the new central road would also be completed.</li> <li>• A 'Construction Dash Board Report' dated October 2018 was circulated to the Board. This included various key performance indicators relating to Health &amp; Safety, Environmental, Earthworks, Equipping, Design Packages etc. It was noted that there were 41,404 man hours on site in October 2018, with an average number of 225 personnel. There was one incident to report where a fibre optic cable servicing the Brookfield clinic was broken during backfilling of the capping beam at Cameron Square (Cat 6).</li> <li>• There was one incident to report this month in the Satellites where an Actavo/NSR operative was found working at a height without fall arrest or restraint system in place.</li> <li>• The Board noted the progress at the satellite site at Tallaght and in particular that the M&amp;E tie-ins infrastructure to Hospital Street were complete. All snags raised by BAM teams would be addressed.</li> <li>• The satellite site construction at Connolly was continuing with mechanical and electrical installations. The Board noted the</li> </ul>	<p></p> <p>Noted</p> <p>Noted</p> <p>Noted</p> <p>Noted</p> <p>Noted</p> <p>Noted</p>

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	<p>glass and external door frames were complete along with lift 1 and 2. The Board further noted that the landscaping was to commence at the front.</p>	
<p><b>3.2 FINANCE</b></p>		
<p><i>(i) Financial Results September 2018 – Jim Farragher</i></p>		
	<ul style="list-style-type: none"> <li>• A report of the financial results for September 2018 was presented to the Meeting, copies of which had been circulated to the Board in advance.</li> <li>• It was reported that actual costs for September 2018 were €1.9m under plan, which was mainly attributable to Construction costs. The Board noted that the DCC had rated the Herberton offices at zero valuation resulting in a saving in rates of €154.4k to date. It was further noted that the Aspergillus (NCH), Capital Contribution (moving Eir plant at St James’s Hospital) and the Design Team Fees costs were over plan and this was primarily relating to timing of expenditure and programme execution.</li> <li>• It was further reported that payments for September 2018 totalled €6.4 million. The Board noted all the purchase orders raised in September 2018 as contained within the report.</li> <li>• The Board was informed that the C&amp;AG interim Audit had completed for this year and the final audit would recommence in February 2019.</li> <li>• The Board noted that the total spend to date was €217,008,296.</li> <li>• The Board further noted the spend of the HSE approved funding allocation for 2018 was in line with revised forecasts.</li> </ul>	<p>Noted</p> <p>Noted</p> <p>Noted</p> <p>Noted</p> <p>Noted</p> <p>Noted</p>
<p><i>(ii) Finance Sub-Committee Update – Paul Quinn</i></p>		
	<ul style="list-style-type: none"> <li>• The Board was informed about the upcoming change orders that would be circulated on 8 November 2018. These included change orders with respect to Linesight # 256 and BAM #257, 259, and 260 were approved.</li> </ul>	<p>Noted</p>

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	<ul style="list-style-type: none"> <li>• The Board was further informed about the early warnings change order that had been brought to the Committee surrounding the M&amp;E issues with respect to the satellite at Connolly.</li> <li>• The Board noted that the Design team's fees would be considered further and acknowledged the claim items and the rate of claim with respect to these figures.</li> <li>• The Board noted the ER determination regarding the Tallaght satellite.</li> </ul>	<p>Noted</p> <p>Noted</p> <p>Noted</p>
<b>4</b>	<b>CORRESPONDENCE</b>	
	<ul style="list-style-type: none"> <li>• NPH Letter to Tallaght Hospital RE Transformer at Substation 4 dated 19 October 2018</li> <li>• Response from Tallaght Hospital to NPH RE Transformer at Substation 4 dated 31 October 2018</li> </ul>	<p>Noted</p> <p>Noted</p>
<b>5</b>	<b>AOB</b>	
	<ul style="list-style-type: none"> <li>• The Board noted the letter from Mr Ciaran Faughnan of Tallaght University Hospital ("TUH") in response to the NPHDB letter of 19 October 2018 in relation to the Transformer at Substation 4. The Board further noted the proposal from TUH to meet NPHDB along with the senior Director(s) of Ethos Engineering in order to progress forward and find a resolution.</li> <li>• Having discussed the M&amp;E Service Costs, it was agreed to undertake a peer review of the implementation of the processes to determine the M&amp;E Service Costs to be included within the ascertained Phase B Final Sum.</li> </ul>	<p>Noted</p> <p>Noted &amp; Agreed</p>
<b>6</b>	<b>BOARD SUPPORTING DOCUMENTATION</b>	
	<ul style="list-style-type: none"> <li>• Draft Design Sub-Committee Meeting minutes dated 3 October 2018 was noted.</li> </ul>	<p>Noted</p>



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	<ul style="list-style-type: none"> <li>• Draft Audit Risk Sub-Committee Meeting minutes dated 22 October 2018 was noted.</li> <li>• Draft Audit Risk Sub-Committee Meeting minutes dated 26 October 2018 was noted.</li> <li>• Draft Planning and Access Meeting minutes dated 3 October 2018 was noted.</li> <li>• Draft D8 Urban Regeneration Meeting minutes dated 1 October 2018 was noted.</li> <li>• Draft CHP&amp;P Steering Group Meeting minutes dated 24 September 2018 was noted.</li> <li>• National Acute EHR update for NPHDB November 2018 was noted.</li> </ul>	<p>Noted</p> <p>Noted</p> <p>Noted</p> <p>Noted</p> <p>Noted</p> <p>Noted</p>

**Next Meeting:**

**5 December 2018 in the Boardroom, Herberton, St. James Walk, Rialto, Dublin 8 at 16.00hrs.**



Tom Costello  
Chair