

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

**Minutes of the NPHDB Extra Board Meeting held on 19 December 2018
from 12.00 to 13.00
Herberton Boardroom, St. James Walk, Rialto, Dublin 8**

Attendance (Board)

John Cole (Chair)
Paul Quinn (by phone)
Karl Kent
John Martin
Liam Woods (by phone)
Brian Fitzgerald (by phone)

Attendance (Other)

Norman Craig, Commercial Advisor
Phelim Devine, Design Director
Jim Farragher, Finance Officer
John Pollock, Project Director
Pat Molloy, Construction Director
Richard Fitzpatrick, Director Project Controls
Dr Emma Curtis, Medical Director
Declan Holmes, Commercial Director

Apologies

Marguerite Sayers
Tom Costello
Tim Bouchier-Hayes
Lorcan Birthistle
Prof. Jonathan Hourihane
Anne Butler

Agenda No.	Specific Issues/Decisions	Action By
	GOVERNANCE	
	<p>Quorum & Chairman</p> <p>The Chairman noted that a quorum, being 5 Board Members, was present and the Meeting proceeded to business.</p> <p>The Chairman confirmed the meeting was a one-item agenda relating to the payment of additional Stages 2C/3 fees to the design team.</p>	Record
1.0	<p>DECLARATIONS OF INTEREST OR CONFLICTS</p> <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
2.0	<p>STAGES 2C/3 ADDITIONAL DESIGN TEAM FEES</p> <p>PD referred to the papers that had been issued to the Board in advance of the meeting which included: -</p> <ol style="list-style-type: none"> 1. A report setting out the basis for the additional fees claimed by the design team and the outcome from the conciliation process. 2. A cover page explaining how the fees were to be covered by the current budget. 3. A letter from MKM Dispute Resolution confirming the outcome from the conciliation process. 	
2.1	<p>Fee Report Overview</p> <ul style="list-style-type: none"> - PD presented the fee summary report to the Board. - He explained the basis for which the design team had sought a claim for additional fees which in the main related to the prolongation of project stages, scope changes that arose during the GMP Process and additional services requested by the NPHDB. - He explained the process the Executive adopted to resolve the fee claim included the services of a conciliator, MKM Dispute Resolution, who had been agreed by all parties. The conciliation process had concluded with all parties agreeing the outcome. - PD explained the design team has expressed concerns regarding their cashflow and sought an interim payment against the agreed fees to be paid before the Christmas break. These fees total €3m (approx. 38% of the agreed additional Stages 2C/3 fees). 	

	<ul style="list-style-type: none"> - PD also explained that performance measures have been incorporated into the payment of the additional design team fees relating to Stage 4 and the design team had agreed in principle to these KPIs. - PD advised the detail associated with these KPIs still need to be developed and agreed with the design team. - The Board noted the inclusion of KPIs relating to the payment of the 4 fees and requested that the detail associated with these be closed out. 	PD
	<p>Letter from MKM Dispute Resolution</p> <ul style="list-style-type: none"> - The Board reviewed the letter from the conciliator summarising the financial outcome from the conciliation process with the design team and confirmed their acceptance to this. - They referred to the letter from MKM Dispute Resolution and noted the need for a number of text items to be clarified with the conciliator and asked that these be addressed in advance of the next Board meeting. 	Record PD
	<p>Letter of Commitment from the Design Team</p> <ul style="list-style-type: none"> - PD referred to the draft Letter of Commitment from the design team included in Appendix B of the report. - PD advised the Executive is still awaiting the Letter of Commitment from the Design Team and confirmed that no payment will be paid if the letter is not received. 	
	<ul style="list-style-type: none"> - The Board asked that the draft Letter of Commitment be reviewed by the NPH legal advisor to ensure it does not contradict any obligations set out in the design team's contract. <p>Design Team Structure</p> <ul style="list-style-type: none"> - PD explained that as part of the fee discussions the Design Team has committed to strengthening their team to meet the delivery requirements of the project and have allocated a project manager full time to manage all design team outputs. <p>Payment of Additional Fees</p> <ul style="list-style-type: none"> - The Board noted the design team claim for additional fees is for work completed as part of Stages 2C/3 and accepted some payment is due - The Board acknowledged the current provision for the payment of contributions to Dublin City Council will be reallocated to cover payment of the €3.0m fees to the design team 	PD Note

	<ul style="list-style-type: none"> - The Board also confirmed the Letter of Commitment must be received from the design team before the interim fees are paid. - The Board requested that a letter be issued to the design team confirming the Board's position on the payment of fees. - The Board expressed the view the detail of the KPIs relating to Stage 4 fees should be agreed with the design team prior to the balance of the Stage 2/3 fees being paid. 	PD
2.2	<p>BOARD RESOLUTIONS</p> <p>The Board agreed the following resolutions in respect of design team fees:</p> <ol style="list-style-type: none"> 1. The Board confirmed their acceptance to the financial outcome from the conciliation process that took place with the NCH design team and the agreed conciliator. The Board did confirm the need to clarify matters relating to some of the text items included in the draft letter from the conciliator, and these will be addressed by the Executive prior to the next Board meeting on the 09 January 2019. 2. The Board confirmed its agreement to pay a total of €3m (approx. 38% of additional Stages 2C/3 fees) to the design team as part-payment for work already complete, the amount of which has been determined as part of the conciliation process. This is subject to the Board receiving a Letter of Confirmation from each design team member confirming their acceptance to the outcome of the conciliation process including their confirmation to the principle of performance KPIs associated with Stage 4 payments. The Board expressed the view the balance of the additional Stages 2C/3 fees should be paid upon agreement by all parties to the detail associated with each of the KPIs. 	
3	<p>AOB</p> <ul style="list-style-type: none"> • There was no other business. 	

Next Meeting:

09 January 2019 in the Boardroom, Herberton, St. James Walk, Rialto, Dublin 8 at 16.00hrs.


 John Cole
 Vice Chair