

**REPORT TO HOSPITALS AND HOUSING COMMITTEE
MEETING OF WEDNESDAY, JUNE 5, 2019**

SUBJECT **The Summit at Quadra Village Project – Fixtures, Furnishings and Equipment Contract**

ISSUE

To provide authorization for Unitech Construction Management Ltd.'s management of the \$4.4 million (M) Fixtures, Furnishings and Equipment (FF&E) budget for the Summit at Quadra Village project.

BACKGROUND

The Capital Regional Hospital District (CRHD) Board, under a Master Development Agreement with the Vancouver Island Health Authority (Island Health), has been developing the Summit at Quadra Village project (The Summit) 320-bed complex residential care facility since 2014. The Summit will provide modern replacement beds for Oak Bay Lodge and Mt. Tolmie Hospital, facilities that have reached their end of life. Construction of the Summit is managed by Unitech Construction Management Ltd. (the CM). Completion is anticipated by the end of 2019.

On April 8, 2015, the CRHD Board approved the Summit project budget of \$86.4M. The budget included \$4.5M for FF&E purchases, contracts and FF&E procurement services for Island Health. Subsequently, the Board directed that \$100,000 of the FF&E budget be added to Unitech's overall service contract in order to cover the management of the procurement process for the FF&E budget. FF&E is a fixed budget made available to help the operating tenant, Island Health, fit up the new facility. By agreement between CRHD and Island Health, the amount cannot be exceeded. There are numerous items to be purchased for a wide variety of uses that require a variety of procurement methods to be used in accordance with CRHD procurement policy to acquire the required products at best value.

ALTERNATIVES

Alternative 1:

That the Hospitals and Housing Committee recommends to the Capital Regional Hospital District Board:

- a) That Unitech Construction Management be instructed to procure and acquire the Tenant's required Fixtures, Furnishings and Equipment items for an amount not exceeding \$4.4 million plus GST; and
- b) That the Chief Administrative Officer be given delegated authority to execute the FFE contract with Unitech for \$4.4M.

Alternative 2:

That the report be referred back to staff for further information based on Committee direction.

FINANCIAL IMPLICATIONS

An itemized FF&E list and detailed budget summary was provided by Island Health. Unitech will be advised on the purchasing vehicle to be used (contract/purchase order) and seek written authorization from Island Health and CRHD in advance of procurement, tracking against the project budget using current protocol. All FF&E commitments of all types shall be tracked, reported and administered to the satisfaction of the CRHD. The amount will not exceed the budgeted amount and therefore will not have an impact on overall budget or schedule.

CONCLUSION

The development of the Summit at Quadra Village is a priority project for both the CRHD and for our contractual operating tenant, Island Health. This recommendation will facilitate the procurement and execution of the FF&E portion of the overall Summit budget in a timely and efficient manner to keep the project on budget and within the planned schedule.

RECOMMENDATIONS

That the Hospitals and Housing Committee recommends to the Capital Regional Hospital District Board:

- a) That Unitech Construction Management be instructed to procure and acquire the Tenant's required Fixtures, Furnishings and Equipment items for an amount not exceeding \$4.4 million plus GST; and
- b) That the Chief Administrative Officer be given delegated authority to execute the FFE contract with Unitech for \$4.4M.

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| Submitted by: | David Wilkinson, Architect AIBC, Summit Project Manager |
| Concurrence: | Michael Barnes, MPP, Senior Manager, Health & Capital Planning Strategies |
| Concurrence: | Kevin Lorette, P.Eng., MBA, General Manager Planning & Protective Services |
| Concurrence: | Kristen Morley, JD, General Manager Corporate Services & Corporate Officer |
| Concurrence: | Robert Lapham, MCIP, RPP, Chief Administrative Officer |

DW:gm

Attachments: Appendix A - FF&E list