

## Scope and Capex Variation Request – Paediatric Intensive Care Unit Bed Expansion and Atrium Redevelopment

### Purpose

This paper is to request approval for a variation in scope and cost for the Paediatric Intensive Care Unit Bed Expansion and Atrium Redevelopment project, approved by the Te Toka Tumai Board on 8<sup>th</sup> July 2020 and by the joint Ministers in December 2020.

**The scope variation** is for the inclusion of negative pressure capacity in the new four bedded ICU room in PICU.

**The cost variation** is for the use of programme contingency fund to support the scope variation (inclusion of a negative pressure room in PICU) and the enabling works required for the decant of staff, support services and equipment from PICU prior to and during construction.

It is not anticipated that this work will extend the time to complete the PICU bed expansion, which is scheduled for completion by October 2022.

### Project Overview

The current and projected increase in demand for paediatric ICU and HDU beds cannot be accommodated in the existing unit. Additional ICU and HDU beds are required to meet this demand for the Auckland DHB, Northern Region and New Zealand populations.

Investment in the increase in paediatric ICU and HDU beds will ensure that there is capacity to safely care for patients, whānau and staff in this national service.

Redevelopment of levels two and three of the Starship atrium will create whānau rooms that meet the physical and spiritual needs of all whānau of children in PICU, and educational and operational support space for staff who work in PICU.

The project improves access to elective surgery and national access for those requiring paediatric ICU/HDU care. This will enable the DHB to meet its obligations to provide safe and effective care in the context of increasing demand for Critical Care Services nationally.

### Variations, Reason for Variations and Impact of Variations

**Scope variation:** It is proposed that a scope variation be approved to include negative pressure capacity in the new four bedded ICU room in PICU. The reason for the variation is to provide additional negative pressure capacity in PICU which currently only has one (1) negative pressure room that services the entire country. This forms part of the response to both the measles outbreak in 2019 and more recently the local and global impact of COVID-19, which has highlighted vulnerabilities in facilities at Auckland DHB. These have significant patient, whānau and staff safety risks which cannot be fully mitigated through patient streaming, temporary barriers or workflow changes.

**Benefits:** This will achieve the following benefits:

- Increase negative pressure capacity nationally for paediatrics
- Protect patients, staff and whanau from airborne transmission of infectious particles

- Eliminate the need for future disruption in PICU, additional cost and reduced capacity in the future should this work not be done as part of this project.

**Cost:** It is proposed that \$551,000 of programme contingency fund be allocated for the inclusion of negative pressure capacity within PICU and that \$200,000 of programme contingency fund be allocated to the enabling works described above. This will not increase the overall cost of the project.

This work will not affect the delivery of other elements within the business case and can be accommodated within the project timeline.

Additional Scope	Original Budget	Revised Cost	Variance	Reason for variance
Negative pressure capacity	\$0	\$551,000	\$551,000	Inclusion of negative pressure capacity in ICU
Enabling works	\$0	\$200,000	\$200,000	Enabling works anticipated but not costed as the extent of the work was unknown. The cost of compliance more substantive than anticipated.
Total	\$0	\$751,000	\$751,000	

The following tables show the budget changes and proposed revised budgets should the scope and capex variation paper be approved.

Description	Approved Business Case Budget	Oracle Approved Budget	Proposed Revised Budget Aug-21	Budget Change (+ve increase / -ve decrease)	Source Reference
Construction	18,359,000	19,639,000	20,447,000	808,000	QS estimate
Escalation	2,203,000	1,851,000	1,594,000	-257,000	QS estimate
Construction Contingency	3,635,000	3,415,000	3,415,000	0	QS estimate
ADHB Enabling Works	0	0	200,000	200,000	QS estimate
Fees (incl Seed Funding)	6,454,000	5,880,000	5,880,000	0	QS estimate
FF&E	3,197,475	3,197,475	3,197,475	0	
hA IT	2,557,525	2,307,525	2,307,525	0	
PMO	250,000	1,382,000	1,382,000	0	
Programme Contingency	3,344,000	2,328,000	1,577,000	-751,000	Proposed budget transfer
<b>Total</b>	<b>40,000,000</b>	<b>40,000,000</b>	<b>40,000,000</b>	<b>0</b>	

BFTF - Starship PICU & Atrium Facilities Works (AK-21-C-PICUWS01)		Oracle Approved Budget	Proposed Revised Budget Aug-21	Budget Change (+ve increase / -ve decrease)
Task Name				
Starship PICU & Atrium - Facilities Works	Construction	21,490,000	22,041,000	551,000
Starship PICU & Atrium - Construction Contingency	Construction Contingency	3,415,000	3,415,000	0
Starship PICU & Atrium - Consultants Fees	Fees & Consents	5,880,000	5,880,000	0
ADHB Enabling Works	ADHB Enabling Works	0	200,000	200,000
<b>Total BFTF - Starship PICU &amp; Atrium Facilities Works</b>		<b>30,785,000</b>	<b>31,536,000</b>	<b>751,000</b>

BFTF - Starship PICU & Atrium PMO & Programme Contingency (AK-21-C-PICUWS03)		Oracle Approved Budget	Proposed Revised Budget Aug-21	Budget Change (+ve increase / -ve decrease)
Task Name				
External Consultants	External Consultants	210,000	210,000	0
DHB Staff Costs	DHB Staff Costs	1,021,000	1,021,000	0
Other Costs	Other Costs	25,400	25,400	0
PMO Contingency	PMO Contingency	125,600	125,600	0
Programme Contingency	Programme Contingency	2,328,000	1,577,000	-751,000
<b>Total BFTF - Starship PICU &amp; Atrium Programme Contingency</b>		<b>3,710,000</b>	<b>2,959,000</b>	<b>-751,000</b>

The use of the programme contingency fund for this work will:

- Reduce the programme contingency available during the construction of the project.
- Provide the additional national paediatric negative pressure capacity urgently required within the project timeline to achieve the benefits outlined above.

However sufficient contingency funds remain, as well as the ability to prioritise stage two detailed works if necessary, it is not expected that the budget will be challenged.

The project is currently at the detailed design phase and the finance summary to the end of July 2021 is as below:

Project Number	Project Name	Task Name	Oracle Budget Approved	Spend to Date Actual	Total Project Committed Spend (incl Spend To Date)	Total Project Budget Remaining
AK-21-C-PICUWS01	BFTF - PICU & Atrium - Facilities	Construction	21,490,000	-	41,346	21,448,654
		Construction Contingency	3,415,000	-	-	3,415,000
		Fees & Consents	5,880,000	760,833	3,308,500	2,571,500
		Decanting & Relocation	-	16,165	46,020	(46,020)
<b>BFTF - PICU &amp; Atrium - Facilities Total</b>			<b>30,785,000</b>	<b>776,998</b>	<b>3,395,866</b>	<b>27,389,134</b>
AK-21-C-PICUWS02	BFTF - PICU & Atrium - FFE & IT	Clinical Equipment	1,746,685	54,673	364,488	1,382,197
		Non-Clinical Equipment	516,252	5,645	7,533	508,719
		Equipment Contingency	934,538	-	-	934,538
		DHB Project Manager	341,776	28,053	133,435	208,341
		hA Project Management	244,795	-	-	244,795
		Infrastructure	187,492	-	-	187,492
		Hardware - Equipment	664,389	-	-	664,389
		IT Contingency	869,073	-	-	869,073
<b>BFTF - PICU &amp; Atrium - FFE &amp; IT Total</b>			<b>5,505,000</b>	<b>88,371</b>	<b>505,456</b>	<b>4,999,544</b>
AK-21-C-PICUWS03	BFTF - PICU & Atrium - PMO & Programme Contingency	DHB Staff Costs	1,021,000	181,364	181,364	839,636
		External Consultant	210,000	-	-	210,000
		Other Costs	25,400	-	-	25,400
		PMO Contingency	125,600	-	-	125,600
		Programme Contingency	2,328,000	-	-	2,328,000
<b>BFTF - PICU &amp; Atrium - PMO &amp; Programme Contingency Total</b>			<b>3,710,000</b>	<b>181,364</b>	<b>181,364</b>	<b>3,528,636</b>
<b>Grand Total</b>			<b>40,000,000</b>	<b>1,046,733</b>	<b>4,082,686</b>	<b>35,917,314</b>

## Actions to mitigate further variations for Stage One

The following steps have/will be taken to mitigate any further increases in project cost, variation in scope and time:

- The design and costing to date of the proposed negative pressure capacity has been done in conjunction with that of the core stage one works to reliably inform this variation and allow for it to be readily accommodated in the timeline given approval.
- Ability to prioritise stage two 'atrium redevelopment' detailed works if necessary should the budget be challenged.

## Recommendation

It is recommended that the following variations be approved:

- Scope variation to include negative pressure capacity in the new four bedded ICU room in PICU, and the enabling works required for the decant of staff, support services and equipment from PICU prior to and during construction.
- Use of \$751K of programme contingency to fund the negative pressure capacity and the enabling works associated with the decanting of PICU staff, services and equipment.

## Approved

Position	Name	Signature	Date
PICU/Atrium Steering Group	Emma Maddren John Beca Toni Shepherd Tracey Woolner Sarah Little Melissa Wilson	Approved	1 <sup>st</sup> September 2021
BFTF Programme Board			
Director of Service	John Beca		
Chief Financial Officer	Justine White		
Facilities Director	Allan Johns		