



AGENDA ITEM SUMMARY

TO: Chair and Directors, Cariboo Chilcotin Regional Hospital District

AND TO: Janis Bell, Chief Administrative Officer

FROM: Lynn Paterson, Chief Financial Officer DATE: May 20, 2009

DATE OF MEETING: May 29, 2009

SHORT SUMMARY: Capital Expenditure Bylaw No. 56 is presented for adoption.

VOTING: Corporate Vote - Unweighted

MEMORANDUM: Northern Health has submitted a Capital Project Approval Form for laundry renovations at GR Baker Hospital. The total project is \$1,000,000 and the CCRHD is requested to contribute \$400,000. This project was initially presented to the CCRHD Board in August 2007 at which time it was approved in principle.

ATTACHMENT: 1) Cariboo Chilcotin Regional Hospital District Capital Expenditure (GR Baker Memorial Hospital – Laundry Renovations) Bylaw No. 56, 2009
2) Capital Project Approval Form – GR Baker Memorial Hospital Laundry Renovations

POLICY IMPLICATIONS: n/a

FINANCIAL IMPLICATIONS: This project was included in the 2009 budget. Reviewed by the CFO:

OPTIONS: 1) Endorse recommendations; 2) Receipt and other action.

RECOMMENDATION: **Recommendation #1:**
That the agenda item summary from Lynn Paterson, CFO dated May 20, 2009, regarding laundry renovations at the GR Baker Memorial Hospital with attached Capital Project Approval Form, be received. Further, that the CCRHD contribute 40% of the project valued at \$1,000,000 for a total contribution of \$400,000. Further, that Cariboo Chilcotin Regional Hospital District Capital Expenditure (GR Baker Memorial Hospital – Laundry Renovations) Bylaw No. 56, 2009 be read a first, second and third time this 29th day of May 2009.

Recommendation #2:
That Cariboo Chilcotin Regional Hospital District Capital Expenditure (GR Baker Memorial Hospital – Laundry Renovations) Bylaw No. 56, 2009 be adopted this 29th day of May 2009.

Respectfully submitted,



Chief Financial Officer

Reviewed and concur:



Chief Administrative Officer

CARIBOO CHILCOTIN REGIONAL HOSPITAL DISTRICT

CAPITAL EXPENDITURE BYLAW

BYLAW NO. 56

WHEREAS, the Board of the Cariboo Chilcotin Regional Hospital District proposes to expend money for the capital expenditure described in Schedule "A" attached hereto and forming an integral part of this Bylaw;

NOW THEREFORE, the Board of the Cariboo Chilcotin Regional Hospital District enacts the following Capital Expenditure Bylaw as required by Section 32 of the *Hospital District Act*;

1. The Board hereby authorizes and approves the expenditure of money as described in Schedule "A" attached hereto and totaling \$400,000.
2. The payment of the portion that the Cariboo Chilcotin Regional Hospital District is responsible for, shall be funded through monies budgeted in the current year of operation.
3. The Board hereby delegates the necessary authority to the Treasurer, to settle the terms and conditions of the expenditure.

This Bylaw may be cited for all intents and purposes as the "Cariboo Chilcotin Regional Hospital District Capital Expenditure (GR Baker Memorial Hospital – Laundry Renovations) Bylaw No. 56, 2009."

READ a first time this ___ day of _____, 2009.

READ a second time this ___ day of _____, 2009.

READ a third time this ___ day of _____, 2009.

ADOPTED this ___ day of _____, 2009.

Chair

Corporate Officer

I hereby certify this to be a true copy of “Cariboo Chilcotin Regional Hospital District Capital Expenditure (GR Baker Memorial Hospital – Laundry Renovations) Bylaw No. 56, 2009.”

Corporate Officer

SCHEDULE "A"

CARIBOO CHILCOTIN REGIONAL HOSPITAL DISTRICT

SHAREABLE CAPITAL EXPENDITURE

BYLAW NO. 56

Name of Facility	Project Description	CCRHD Share	Northern Health Authority Share	Total Project Cost
GR Baker Memorial Hospital	Laundry Renovations	\$400,000	\$600,000	\$1,000,000



Capital Project Approval Form

GR Baker Memorial Hospital Laundry Renovations

Table of Contents

1. Executive Summary
2. Description
 - SECTION I: Project Overview
 - SECTION II: Strategic Importance
 - SECTION III: Project Financing
 - SECTION IV: Project Risk
 - SECTION V: Operational Impacts
3. Risk Assessment
4. Financials
 4. Income Statement Implications
 5. Capital Cash Flows
5. Ranking Tool



Capital Project Approval Form

Executive Summary

Project Name:	Laundry Renovations		
Facility/Site:	GR Baker Memorial Hospital		
HSDA	NI		
Contact Person:	Carol Evans		
Executive Sponsor	Valerie Aylward		
CPAF Date	5-May-06	CPAF Version	3.0

Total Capital Cost	\$1,000,000
Net Present Value of Project Cash Flows	\$1,000,000
5-year Avg. Annual Operating Savings (Costs)	\$0
Facility Condition Index (if applicable)	0.00

Risk Factors (out of 8)	1
Risk Assessment	Low Risk

Ranking Score (out of 100)	40
----------------------------	-----------

Sign Off

Service	Name	Signature	Date
Department Head	Carol Evans		
Plant	Harley Harasym		
Biomedical Engineering			
ITSD			
Capital Planning	Pam Fritsma		
HSA/Reg. Director	Fraser Bell		
Executive Sponsor	Valerie Aylward		

Capital Project Approval Form

Project Name:	Laundry Renovations	Total Capital:	\$1,000,000
Facility/Site:	GR Baker Memorial Hospital	File Number:	
HSDA:	NI	Telephone No.:	992-0606
Department Name:	Laundry	Fax Number:	992-2957
Contact Person:	Carol Evans	Current Fiscal Yr	2007/08
Executive Sponsor:	Valerie Aylward	CPAF Date	5-May-06
Facility Condition Index (if applicable)		CPAF Version	3.2

This form must be used for capital projects or new (not replacement) equipment equal to or greater than \$100,000.

SECTION I: Project Overview

1. Project Description

It is necessary to expand the laundry area as the current space allotment does not adequately meet the current and future needs of the Laundry Department. This project would mean minor renovations to the existing 208 square meters and an additional 72 square meters of new building construction that would be built adjacent to the existing laundry area.

2. Relevant Background and Current Situation

This department utilizes its current space to store soiled linen/blankets/clothing/etc, sort items, wash, dry, repair, fold, and store clean items. This area is overcrowded. There is not enough room to adequately manage the amount of laundry being processed on a daily basis. Room is needed to store soiled and new linens. The folding machine needs to be moved to a more appropriate area. More space is needed for sewing and tie tacker.

3. Project Rationale

Supporting the NHA's mission of northern excellence. This project will increase proficiency in the provision of laundry services to GR Baker Memorial Hospital and Baker Lodge.

SECTION II: Strategic Importance

1. Indicate how this project supports strategic priorities in NH's Health Service Redesign Plan
(Place an 'X' next to all that apply to indicate a High, Moderate or Low level of support)

Level of Support	Strategic Priority	Level of Support	Strategic Priority																								
High Mod. Low		High Mod. Low																									
<table border="1" style="width: 100%; height: 40px;"> <tr><td style="width: 33%;"></td><td style="width: 33%;"></td><td style="width: 33%;"></td></tr> <tr><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td></tr> </table>													Acute Care Improve Access to Acute Care Develop Community Health Centre Models of Care Develop Chronic Care Management Strategy Provincial Health Services Delivery Redesign	<table border="1" style="width: 100%; height: 40px;"> <tr><td style="width: 33%;"></td><td style="width: 33%;"></td><td style="width: 33%; text-align: center;">X</td></tr> <tr><td></td><td></td><td></td></tr> <tr><td></td><td></td><td style="text-align: center;">X</td></tr> <tr><td></td><td></td><td></td></tr> </table>			X						X				Home & Community Care Develop long-term care facilities for Complex Care Provide Independent Living Units Enhance Community Services, including Palliative Care
		X																									
		X																									
<table border="1" style="width: 100%; height: 40px;"> <tr><td style="width: 33%;"></td><td style="width: 33%;"></td><td style="width: 33%;"></td></tr> <tr><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td></tr> </table>													Community Programs and Aboriginal Health Shift to early prevention approach Decr. ALC days for Mental Health/Alcohol/Drug patients Improve continuity of care following discharge Redesign Alcohol and Drug programs Develop capacity for Riverview bed replacement	<table border="1" style="width: 100%; height: 40px;"> <tr><td style="width: 33%;"></td><td style="width: 33%;"></td><td style="width: 33%;"></td></tr> <tr><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td></tr> </table>													Public / Population Health Develop Public Health core programs w/ MOH Create an NH-wide system of integrated services Decrease the incidence of communicable disease in NH Develop population health strategy and research capacity Implement Aboriginal Health Services Plan for NH
<table border="1" style="width: 100%; height: 20px;"> <tr><td style="width: 33%;"></td><td style="width: 33%;"></td><td style="width: 33%;"></td></tr> </table>				Primary Health Care Integrate primary health care services	<table border="1" style="width: 100%; height: 20px;"> <tr><td style="width: 33%;"></td><td style="width: 33%;"></td><td style="width: 33%;"></td></tr> </table>				Clinical Workforce Impl. strategies to recruit, retain & develop clinical workforce																		
<table border="1" style="width: 100%; height: 20px;"> <tr><td style="width: 33%;"></td><td style="width: 33%;"></td><td style="width: 33%;"></td></tr> </table>				Organizational Support Develop systems for org. & admin. support																							

Capital Project Approval Form

Comments:

2. How does this project help meet NH goals & objectives? (Place an 'X' next to all that apply and explain)

Level of Support	NH Goal / Objective	Explanation
High Mod. Low		
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Improving clinical care and service	<div style="border: 1px solid black; height: 250px; width: 100%;"></div>
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Improving client satisfaction in all groups	
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Enhancing our financial strength	
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Creating a safe and healthful workplace that supports client services	
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Participating with local and regional partners to create healthy communities	
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Supporting the NH's mission of excellence in rural health care	

SECTION III: Project Financing

1. Provide details of anticipated Regional Hospital District support for this project.

It is anticipated that the RHD will fund 40% of this project

2. Provide details of any other funding sources.

n/a

SECTION IV: Project Risk

1. Describe key assumptions, project dependencies and risks.

Key Assumptions

This project depends on the acquisition of funds to renovate and add on to the existing laundry area. Additional space is available adjacent to existing department structure (outside of current building).

Key Project Dependencies

Project Risks

Capital Project Approval Form

2. Discuss reasonable alternatives to the project. Why weren't the alternatives selected?
No reasonable alternatives exist.
3. What would be the ramifications of delaying the project for another year?
Staff would continue in a less efficient manner. Staff would continue to experience frustration with limited space. Concern has been expressed that it may eventually become a WH&S issue for staff.
4. What would be the ramifications of not doing the project at all?
Staff would continue in a less efficient manner. Staff would continue to experience frustration with limited space. Concern has been expressed that it may eventually become a WH&S issue for staff.
5. Provide an assessment of legal, tax, compliance, regulatory and government issues, if any.
n/a.

SECTION V: Operational Impacts

1. How does this project impact clinical departments and other direct patient care services? Please indicate which departments are impacted in Item 5 below.
Quicker return of laundry to patient/resident areas (Inpatient Unit, Baker Lodge, Emergency, OR, Daycare, etc.)
2. How does this project impact support departments (e.g., facilities, environmental services, billing, information technology, material services, etc.)? Please indicate which departments are impacted in Item 5 below.
This project would allow for additional storage space for both clean and new linens thus alleviating some of the storage concerns elsewhere in the facility.
3. Will this project require newly constructed or incremental space, renovation of existing space, or impact utilities (e.g., electrical, phone, cabling, networking, HVAC, etc.)? Please include an estimate of additional square footage.
Yes, this project would include both the renovation of existing space and the addition of (?) square footage. HVAC, electrical, and plumbing would be affected by this project.
4. Please provide an estimate of the timing for completion of the project and comment on expected timetable issues and potential delays.

Capital Project Approval Form

SECTION V: Operational Impacts (continued)

5. Please indicate which clinical and support departments are impacted by placing an "X" next to the department.

	Specify Details	Explain Impact
Clinical:		
<input checked="" type="checkbox"/>	Nursing <i>(specify areas)</i>	Inpatient
<input checked="" type="checkbox"/>	Nursing <i>(specify areas)</i>	Baker Lodge (Extended Care Unit)
<input checked="" type="checkbox"/>	Nursing <i>(specify areas)</i>	Daycare
<input checked="" type="checkbox"/>	Operating Rooms	
<input checked="" type="checkbox"/>	Pathology and Lab	
<input checked="" type="checkbox"/>	Diagnostic Imaging	
<input checked="" type="checkbox"/>	Phys. Med. & Rehab	
<input checked="" type="checkbox"/>	Respiratory Therapy	
<input type="checkbox"/>	Pharmacy	
<input type="checkbox"/>	Other <i>(specify areas)</i>	
<input type="checkbox"/>	Other <i>(specify areas)</i>	
Support:		
<input type="checkbox"/>	Billing & Registration	
<input type="checkbox"/>	Biomedical Engineering	
<input type="checkbox"/>	Building Maintenance	
<input type="checkbox"/>	Dietary	
<input type="checkbox"/>	Health Records	
<input checked="" type="checkbox"/>	Housekeeping	
<input type="checkbox"/>	Information Systems	
<input checked="" type="checkbox"/>	Linen and Laundry	
<input type="checkbox"/>	Material Management	
<input type="checkbox"/>	Security	
<input checked="" type="checkbox"/>	Sterile Processing	
<input type="checkbox"/>	Other <i>(specify areas)</i>	
<input type="checkbox"/>	Other <i>(specify areas)</i>	
Community:		
<input type="checkbox"/>	Home Care	
<input type="checkbox"/>	Residential Care	
<input type="checkbox"/>	Mental Health/Addictions	
<input type="checkbox"/>	Public Health	
<input type="checkbox"/>	Other <i>(specify areas)</i>	
<input type="checkbox"/>	Other <i>(specify areas)</i>	
<input type="checkbox"/>	Other <i>(specify areas)</i>	
<input type="checkbox"/>	Other <i>(specify areas)</i>	



Capital Project Approval Form

Project Name: Laundry Renovations - GR Baker Memorial Hospital

3. Risk Assessment

Type in: 1 = Yes
0 = No

1. The project investment is equal to or greater than \$3 million.	0
2. The success of the project requires the recruitment and retention of personnel that are currently in short supply in the labor market.	0
3. The project involves renovation of an existing work space.	1
4. The project involves a new service.	0
5. The project involves multiple sites	0
6. The project involves an emerging or untested technology in the NH environment.	0
7. The project involves a substantial change in current business practices or operations.	0
8. The project has a sole physician/administrator champion.	0
NUMBER OF RISK FACTORS PRESENT IN THE PROJECT	1

Overall Project Risk Assessment	Low Risk
--	-----------------

Each strategic project should be evaluated for risk according to the above determinants.

A PROJECT IS RISK ADJUSTED AS FOLLOWS:

> Low Risk:	Up to Three Determinants Apply
> Medium Risk:	Four to Six Determinants Apply
> High Risk:	Seven or More Determinants Apply



Capital Project Approval Form

Project Name: **Laundry Renovations - GR Baker Memorial Hospital**

4. Income Statement Implications

(Identify changes that the proposed project will have on the status quo financial position)

Statement of Projected Revenue and Expenses

	2005/06	2006/07	2007/08	2008/09	2009/10	Total
PATIENT REVENUE						
Inpatient Revenue						\$0
Outpatient Revenue						\$0
Other Payment Sources						\$0
Other Recoveries						\$0
PATIENT REVENUE	\$0	\$0	\$0	\$0	\$0	\$0
DEDUCTIONS FROM PATIENT REVENUE						
Physician Payments						\$0
Other						\$0
TOTAL DEDUCTIONS	\$0	\$0	\$0	\$0	\$0	\$0
NET PATIENT REVENUE	\$0	\$0	\$0	\$0	\$0	\$0
OTHER OPERATING REVENUE						\$0
TOTAL OPERATING REVENUE	\$0	\$0	\$0	\$0	\$0	\$0
OPERATING EXPENSES						
Salaries and Wages-Direct						\$0
Salaries and Wages-Support						\$0
Employee Benefits	\$0	\$0	\$0	\$0	\$0	\$0
Supplies						\$0
Sundry						\$0
Utilities						\$0
Maintenance/Repairs						\$0
Service Contracts						\$0
Depreciation						\$0
NET OPERATING EXPENSES	\$0	\$0	\$0	\$0	\$0	\$0
OPERATING INCOME	\$0	\$0	\$0	\$0	\$0	\$0



Capital Project Approval Form

Project Name: **Laundry Renovations - GR Baker Memorial Hospital**

5. Capital Cash Flows

Total expenditures should include all costs associated with the project.

A. Capital Cash Flows

	2005/06	2006/07	2007/08	2008/09	2009/10	Total
Schematic & Design Development						\$0
Land Acquisition and Site Development						\$0
Contract Preparation & Construction			\$1,000,000			\$1,000,000
Commissioning, Move & Startup						\$0
Other						\$0
						\$0
						\$0
						\$0
Equipment (incl. installation)						\$0
Information Systems						\$0
Vehicles						\$0
Total	\$0	\$0	\$1,000,000	\$0	\$0	\$1,000,000

B. Other Investment

	2005/06	2006/07	2007/08	2008/09	2009/10	Total
Routine/Recurring Cap. Needs						\$0
						\$0
						\$0
Total Other Investment	\$0	\$0	\$0	\$0	\$0	\$0



Capital Project Approval Form

Project Name: Laundry Renovations - GR Baker Memorial Hospital

5. Capital Priority Ranking Tool

	Y/N	WEIGHT	SCORE
Safety/Risk Management (Indicate issues that apply by marking with an "X")			
<input type="checkbox"/> Potential for harm is HIGH , supported by one or more of the following: <input type="checkbox"/> Documented evidence and/or incidents of significant hazard to safety and health of patients and staff. <input type="checkbox"/> Orders from legislated authority. <input type="checkbox"/> Non-adherence to code (life threatening). <input type="checkbox"/> Project is needed to ensure continued operations.	---	20	0
<input type="checkbox"/> Potential for harm is MODERATE , supported by one or more of the following: <input type="checkbox"/> Documentation of incidents having occurred. <input type="checkbox"/> Recommendations from legislated authorities. <input type="checkbox"/> Non-adherence to code (risk of injury).	---	10	0
<input type="checkbox"/> Potential for harm is LOW for 12-18 months, however there is evidence of one or more of the following: <input type="checkbox"/> Non-adherence to code (non-life threatening and no risk of injury). <input type="checkbox"/> Documentation of potential for incidents to occur. <input type="checkbox"/> Suggestions or recommendations from reviewing bodies.	---	5	0
<input type="checkbox"/> No potential for harm	---	0	0
Asset Life Cycle (Indicate issues that apply by marking with an "X")			
<input type="checkbox"/> One or more of the following applies: <input type="checkbox"/> Physical life of asset exceeds life span (MIS guidelines) by more than 15% <input type="checkbox"/> Asset no longer meets program requirements or standards <input type="checkbox"/> Asset is no longer supported by vendor <input type="checkbox"/> Delay in replacement or repair will result in increased annual support costs of more than 15%	---	10	0
<input type="checkbox"/> One or more of the following applies: <input type="checkbox"/> Physical life of asset exceeds life span (MIS guidelines) <input type="checkbox"/> Delay in repair, replacement or renovation will result in increased annual support costs of 5% to 15%	---	5	0
<input type="checkbox"/> One or more of the following applies: <input type="checkbox"/> Program or facility has low utilization <input type="checkbox"/> Corrects non-critical deficiencies	---	0	0
Improved Patient Outcomes			
<input type="checkbox"/> Decreased Patient Stays <input type="checkbox"/> Improved Standard of Care <input type="checkbox"/> Improved Patient Comfort <input type="checkbox"/> Improved Quality of Life <input type="checkbox"/> Improved Access to Care	---	20	0
	---	10	0
	---	5	0
	---	0	0
Financial Benefits			
Financial Benefits are measured in terms of Payback Period: $\frac{\text{Total Investment Required}}{\text{Avg. Annual Savings}} = \text{N/A}$	---	15	0
	---	12	0
	---	8	0
	---	5	0
If there are <u>no</u> savings, there is <u>no</u> payback period.	Y	0	0
Incremental Operating Cost Impacts			
Incremental Operating Costs = \$ _____	Y	10	0
	---	7	0
	---	4	0
	---	0	0
Availability of External Funding			
Examples of external funding include: Public Private Partnerships Auxiliary Funding Foundation Funding Targetted Donations	Y	10	0
	---	5	0
	---	0	0
Fit with NH Strategy and Performance Agreement			
Level of support for the Strategic Priorities identified in NH's Health Service Redesign Plan.	---	15	0
	Y	10	0
	---	5	0
No Direct Linkage with NH's Health Service Redesign Plan	---	0	0
TOTAL SCORE			40