



# The Elliott Long-Term Care Residence Report Appendix A

**TO:** Committee of Management  
**DATE:** March 5, 2024  
**SUBJECT:** Edinburgh LTC Redevelopment Project – Additional Status Update

---

## RECOMMENDATION

None – for information only at this time.

## BACKGROUND

The Elliott Community (TEC) is currently undertaking the Edinburgh Redevelopment Project to create 29 new Long-Term Care (LTC) beds on campus. TEC is receiving some funding from the City of Guelph (the City) for the redevelopment; the Ministry of Long-Term Care (MLTC) is providing both short-term and long-term funding to complete this project. In addition, the City is providing construction financing and long-term financing that will be repaid with the long-term funding provided by MLTC over a 25 year period post completion.

## REPORT

### Construction schedule delay

In January 2024, TEC was provided with a formal notice from our construction manager of a schedule delay with a revised substantial completion date of August 2, 2024. This revised date is 9 weeks later than the construction manager's original plan for May 29, 2024 substantial completion.

### Communication with funders

#### Ministry of Long-Term Care

We submit monthly construction progress reports to MLTC. The report for the period ending January 31, 2024 will be the first report indicating a schedule delay. However, we have informed our Ministry liaison for this project that that our January report would reflect we are "Behind Schedule."

#### City of Guelph

The December report to Committee of Management (COM) was submitted with yellow status indicating the project had missed some milestones. In advance of sending the December COM report, the CEO had a discussion with the City's Deputy Chief Administrative Officer regarding the December status and the information received in January from the Construction Manager. The next project status report to COM for January will be issued in early February and will reflect information regarding the construction delay. Further discussions have occurred with the Deputy CAO regarding items in this report.



# The Elliott Long-Term Care Residence Report Appendix A

## Impacts resulting from construction delay

### Construction Funding

There is no impact to the amount of MLTC construction funding as a result of the construction delay. The grants and per-diems remain as per the agreements in place for the LTC development; there were no conditions to have the project complete by a specified date. MLTC funding disbursements are tied to milestones.

To date, TEC has received the Planning and the Construction Funding Subsidy Grants. The Development Grant will be received upon construction substantial completion; per-diem funding will begin when the first resident moves into one of the new beds.

### Licensing

Prior to the start of construction, TEC had been planning for substantial completion date of June 27, 2024, with August 1, 2024 as the first new admission. TEC's planning assumption, along with Ministry documentation, remains that 1 month after construction has been substantially complete, the Edinburgh home area will be ready for the first new residents. Therefore, this delay will move the first admission to September 2024.

### Financial – Operational Budget

Our 2024 budget had assumed to start receiving operating funding for the new beds as of August and to staff up in advance. The finance team is planning on working with leaders to determine the 2024 budget impact to the significant requirement to prepare for occupancy in conjunction with the delay in opening. The impact will take some time to investigate and subsequently to calculate, as the finance team is preparing for year-end and the financial statement audit. Additionally, finding time to work with leaders is currently challenging. All teams have stretched capacity as we plan for occupancy in the detail required by MLTC; resources are re-prioritized to manage urgent decisions regarding changes and issues that are continuously arising during construction.

### Financial – Construction

The causes of our construction delays have associated costs. We also anticipate that the actual delay will have a cost. The construction manager, has yet to provide us with this amount and detail. The cost would be the result of scheduling conflicts for the construction manager and any of the sub-trades that arise as a result of the extended time for the project.

In addition, we could have additional interest costs as a result of the construction loan open longer than originally anticipated. At this point, since we have not drawn on the construction loan from the City, it is possible the delays will push out the date when the loan is required.



# The Elliott Long-Term Care Residence Report Appendix A

## **Causes of construction delay**

The construction manager required an extension on the schedule to compensate for the significant time lost as a result of major redesigns of the architectural, mechanical, and electrical drawings that were occurring during construction and impacted work that had already started. The design team had to constantly meet on-site with the construction team to properly coordinate solutions to execute the new designs. Such coordination effort was not included in the original schedule; therefore, the execution of the work is taking longer than originally planned. The reasons for the redesigns and changes can be put into a few broad categories: Site Conditions, Design Oversight, and Design Issues.

### Site Conditions

The existing As-Built drawings misrepresented some of the actual building conditions, such as position of windows, heat pumps, and plumbing. These site conditions are one of our 3 Top Project Risks. As described under Work planned, but not achieved in the December 31, 2023 Project Status Report, partitions, framing, dry walling could not be completed as redesign (architectural, mechanical and electrical drawings) of some spaces was required impacting plumbing, HVAC and drainage designs as well as ceiling installation and coring work.

### Design Oversight

A significant number of delays and changes result from the design's team failure to consider or investigate the existing condition of the building and existing LTC home areas. Despite having access to the renovation area, MLTC design manual, LTC home areas and appliance requests, the design team made errors on the design specifications which could have been prevented with more robust planning or consultation. For example:

- Missed required clinical equipment and associated hook-ups
- Insufficient plumbing and electrical for selected appliances
- Incorrect bathtub size, handrail material, door locations
- Neglected expansion to the fire alarm panel
- Inaccurate doors for room's purpose

Failure to consider if selected equipment would work in the space or require modification was not conducted before the project was tendered. One of these instances took over 2 months to resolve. The existing structural infrastructure could not support the patient lift track and the ERV unit, both of which had been requirements at the outset of the project. The ERV unit specified by the design team was too heavy for the existing structural infrastructure however additional support had not been identified. Finding a solution required significant coordination between the structural engineer, mechanical engineer, ceiling lift supplier, ERV supplier, construction manager team, and sub-trades with several proposals issued. The first one was issued on October 16, 2023, and the last one was approved on December 21, 2023. The timeline finding a solution delayed ceiling work and fabrication of the structural supports.



# The Elliott Long-Term Care Residence Report Appendix A

Inconsistencies and lack of coordination between disciplines (Architectural, Mechanical, and Electrical) on the design team resulted in several revisions to drawings during construction causing additional time and effort for the project manager and construction manager and additional costs through change orders. Some examples:

- Treatment room was designed with oxygen tanks, but was not fire rated in accordance with the Ontario Building Code (OBC) requirements.
- Light Fixture distribution on electrical drawings shows a ceiling plan different from the architectural set.
- Access panels identified on mechanical drawings were not included on architectural drawings. As recently as last week, redesigned millwork was presented to TEC to correct this error.

## Design Issues

Part of the delay was also caused by the lack of discussions during the design phase between the design team and TEC regarding all the finishes, materials, equipment and room utilization. Upon submission of the finish samples by the construction team in late October, TEC identified that the finishes specified in the construction tendering process were inappropriate for a home-like setting of a LTC home. For example, the doors were unfinished MDF with a clear varnish. Because, certain items have long ordering lead times, (e.g. operable wall, doors and millwork) there was an immediate need to review and select proper finishes. It took a month for TEC to be provided with samples of the various types of finishes and the design team could not say if they were within the originally specified price point despite specifically asking for samples with that criteria. Some of this time was absorbed by existing flexibility on the schedule and part of the time directly affected the schedule. All of the following finishes were revised during construction:

- Wall and accent wall colours
- Backsplash tile and bathroom tile
- Wood Door finishes and metal door paint colours
- Millwork (built in cabinetry) finishes and pulls
- Countertop finishes
- Handrail finishes
- Window blinds and privacy curtains
- Hair wash sink colour
- Epoxy floor colour

The last change order for the revisions above related to the millwork and was approved by TEC January 29. Because millwork has a long lead-time, the late submission of the millwork order puts the project at risk for a further delay.



# The Elliott Long-Term Care Residence Report Appendix A

## FINANCIAL IMPLICATIONS

As noted above, the total financial impact to the project as a result of the construction delay and associated operational financial impact due to this delay in opening our beds is being determined.

Risks identified at this time:

1. Delayed construction completion
2. Delayed licensing and admittance of first resident
3. Delayed operational funding from Ministry of Long-Term Care

## STRATEGIC DIRECTION

Enhance Operational Excellence

### Prepared By:

Theresa Moisan  
Chief of Finance and Operational Services

### Recommended By:

Michelle Karker  
Chief Executive Officer