

# **St Jude Hospital Reconstruction Project Handover Report**

**For Period Ending 14 August 2016**



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## **F. List of Document References**

The following list of documents, are available for review in the Project Management Unit to provide additional details as necessary:

1. Project Update for New Government (June 2016)
2. Project Updates prepared for : Steering Committee, Prime Minister, Minister of Health, Taiwanese Government, German Government, Australian Government
3. St. Jude Hospital Reconstruction Project Steering Committee Minutes
4. Funding Proposals to:
  - a. Government of Republic of China (Taiwan) : Grant (3No.) – Radiology Equipment, Surgical Building Works, East Wing Works.
  - b. Government of Republic of China (Taiwan) : Loan.
  - c. Government of Mexico : Loan
  - d. Government of Mexico : Grant (through UNOPS)
  - e. German Government: Grant (2 No.) (Hot water Solution and Water and Wastewater Sub component)
  - f. World Bank through Climate Change Project in Ministry of Sustainable Development (Renewable Energy Solutions)
5. ROCT Export Import (Ex-Im) Bank Loan Agreement and associated documents
6. German Government Grant Agreements and associated documents.
7. Mexican Government Grant Agreement.
8. United Nations Office for Project Services (UNOPS) Memorandum of Agreement with the Government of Saint Lucia.
9. Contract Documents with Consultants and Contractors.
10. Consultants Submissions : Progress Reports, Additional Works Report, Environmental Impact Assessment, Needs Assessment – Health Sector, Human Resource Assessment.

## St. Jude Hospital Reconstruction Project

- The goal of the project initiated was to rebuild St. Jude Hospital to reinstate the core and ancillary health services previously offered to the public in keeping with the Government's health sector objectives and expanded where necessary. The design was expected to produce an effective and efficient health care facility according to modern day requirements.
- **Initial Policy Decision -April 2010 (PM Hon. Stephenson King):** The Government of Saint Lucia initially took a decision to develop a two pronged approach to the implementation of the St. Jude Hospital Reconstruction project:
  - a) **Short Term Solution - Temporary Accommodation for St. Jude Hospital**

This would entail the re-construction of the surgical building on the old site as well as the renovation of the other two (2) buildings and other required ancillary buildings. The facilities would be made fully functional to allow St. Jude Hospital to relocate from the stadium and operate until the new facility is built on the new site.
  - b) **Medium Term Solution - Construction of New Health Care Facility for St. Jude Hospital on a New Site**

This would entail the Planning, Design & Construction of a new 90 bed health care facility for St. Jude Hospital at a new site at Beausejour, in the vicinity George Odum Stadium and future site of the National University. Upon relocation of St. Jude Hospital to this new facility, the old site buildings would be utilized for other medically related purposes such as medical research or medical schools. The rationale for constructing the new facility is as follows:

    - It would facilitate a synergy with the National Vision Plan and act as a catalyst for redevelopment of the South in general.
    - Its functions would be expanded for use as a Teaching Facility.
    - It would be used to facilitate Health-care Tourism and serve Saint Lucians, Caribbean Nationals as well as other Foreign Nationals with specialized health-care services.
- Further to the Government of Saint Lucia's commitment to the Reconstruction of St. Jude Hospital, planning of this critical project commenced immediately after the fire. The associated construction works commenced on September 9<sup>th</sup>, 2010 with a ground breaking ceremony. This was also the first anniversary of the fire.

- c. ROCT Loan – Second Disbursement
  - i. The Second Disbursement on the ROCT Loan 3113 to be requested only after all funds are utilized from the First Disbursement.

## 2. Administration

- a. All Project Files are contained in the PMU electronically and /or in hard copy. Project Officer to ensure hard copies of documents are filed accordingly.
  - i. Project Updates
  - ii. Minutes of Steering Committee Meetings
  - iii. Project Proposals
- b. Filing of Recent Correspondence – this activity has been outstanding as the Junior Project Assistant has been fully occupied with other tasks especially compilation of financial information. This should have been completed by September 15 by the Junior Project Assistant.
- c. Preparation of annual letters by the Project Officer for the exemption of taxes as per the cabinet conclusion for all contractors, consultants and service providers.
- d. VAT – Follow up on Ministry's decision with respect to the payment of VAT. It was previously indicated that the VAT legislation was going to be amended to cater for VAT due by Government Projects. In the interim a letter needs to be furnished by the Ministry to the relevant Consultant/ Contractor regarding the non-payment of VAT. This letter should be copied to the Inland Revenue Department.

In principle VAT payments are still outstanding for the major contracts especially payments due to the Customs Department for the clearance of Goods imported for the project. The customs department in the interim has set up a bond to facilitate pre deliveries in an effort not to impede progress on the project. Once a decision is taken with respect to the payment of VAT all outstanding customs entries need to be processed and submitted to the Customs Department for conclusion. Halcrow Group Ltd. to provide an updated list of all approved pre-deliveries for imports for the project.

During the implementation of the works, additional requirements emerged and after thorough consideration, Government approved and agreed to explore options for financing an expansion of the scope of works which included the additional components listed as follows:

Additional Work Components include:

<ul style="list-style-type: none"> <li>• Supply &amp; Installation of Medical Gas Lines to Patient Areas.</li> </ul>	<ul style="list-style-type: none"> <li>• Construction of Additional Storage Areas</li> </ul>
<ul style="list-style-type: none"> <li>• Supply &amp; Installation of Fire Alarm System.</li> </ul>	<ul style="list-style-type: none"> <li>• Installation of a Rainwater Harvesting System.</li> </ul>
<ul style="list-style-type: none"> <li>• Renovation of Building for Dialysis Services and Installation of Relevant Equipment.</li> </ul>	<ul style="list-style-type: none"> <li>• Supply &amp; Installation of 1MVA Standby Power Generator.</li> </ul>
<ul style="list-style-type: none"> <li>• Construction of Chapel &amp; Counselling Room.</li> </ul>	<ul style="list-style-type: none"> <li>• Supply &amp; Installation of Information Technology Infrastructure including Television and Internet Services.</li> </ul>
<ul style="list-style-type: none"> <li>• Supply &amp; Installation of 178,000 Imperial gallon Water Storage Tank.</li> </ul>	<ul style="list-style-type: none"> <li>• Supply &amp; Installation of Security System including CCTV.</li> </ul>
<ul style="list-style-type: none"> <li>• Supply &amp; Installation of 25,000 Imperial gallon Wastewater Treatment Plant.</li> </ul>	<ul style="list-style-type: none"> <li>• Construction of Car Park Area.</li> </ul>
<ul style="list-style-type: none"> <li>• Supply &amp; Installation of Ventilation and Air Conditioning System for entire facility.</li> </ul>	<ul style="list-style-type: none"> <li>• Complete Landscaping and Beautification of site.</li> </ul>

Based on the request of St. Jude Hospital, wanting to maintain the legacy of the Hospital, the Chapel was included as part of the reconstruction works of the hospital as it was part of the original list of buildings to be reconstructed. The chapel prior to the fire was located near the area which currently caters for pedestrian and vehicular traffic near the Accident and Emergency area. As part of the brief for the reinstatement of the Chapel to provide a location for spiritual and counselling services, it was communicated by St. Jude Hospital (Mr. P. Mc Donald- Chairman, Dr. Chierry Poyotte, CEO) that the use of the chapel extended beyond direct use of the hospital. It had become a community Chapel as attendance at masses and other activities, especially on the weekend, saw the attendance of the wider community which resulted in an overflow of persons outside the chapel building.

It was communicated that the hospital wished to maintain the relationships which existed but recommended that the building relocated to an area which did not permit direct interface with medical emergency personnel and patients. This discussion on the relocation of the chapel involved the Management of St. Jude Hospital. This decision received the support also of the Prime Minister (Hon. Stephenson King) during a general site visit. With this in mind, coupled with the use of the building for hospital and community use, the chapel building was relocated to the entrance of the facility near the security areas. This would facilitate external access by persons from the community as well as patient and visitor access. Due to the location of the chapel at the entrance of the hospital, it was included as part of Phase 1 since it would be a disruption to the main access and operations to have construction activities in that location after the hospital was operating. As well there were a number of commitments of donations to the construction of the chapel including project contractors and suppliers:

1. OB Sadoo Engineering Services – Donation to the Part of the Civil Works.
2. John C. Francis Associates Ltd – Donation of all Air Conditioning and Electrical Installations including material supply.
3. Jules Plumbing Ltd - Donation of all Plumbing works.
4. Flooring Solutions/ Caribbean Connections LLC – Donation of Flooring Supply and Installation.
5. Converge Solutions Ltd – Donation of Supply and Installation of IT Infrastructure.



## B. Project Management

- The Department of Economic Development is the government agency responsible for the planning and implementation of this project. A Project Management Unit was set up in February 2010. The main responsibilities of the PMU is to facilitate the planning and implementation the St. Jude Hospital Reconstruction Project, oversee the implementation of the works and services to be contracted under this project, and prepare progress reports for the Government of Saint Lucia on the status of the implementation. The PMU also facilitated resource mobilization where possible. A project steering committee has been set up to guide and oversee the implementation of the project. The committee meets monthly where possible and comprises:

Project Steering Committee	
Ms. Tracy Polius (Previously Dr. Reginald Darius, Mr. Isaac Anthony)	Permanent Secretary – Dep. of Econ. Dev.
Ms. Cointha Thomas (previously Mr. Barnabas Annus, Mr. Felix St. Hill,)	Permanent Secretary – Min. of Health
Ms. Janet Barnard (previously Mr. John Calixte)	Deputy Permanent Secretary - Dep. of Econ. Dev.
Mr. Lucius Ellevic (previously Mr. Percival Mc Donald)	Chairperson – St. Jude Hospital Board of Directors
Dr. Chierry Poyotte	Chief Executive Officer – St. Jude Hospital
Ms. Xysta Edmunds (previously Ms. Kerry Joseph)	Chief Health Planner – Min. of Health
Mr. Anthony Philgence	Min. of Health
Ms. Nicole Jn Jacques	Office of the Budget
Ms. Nadia Wells	Dep. of Econ. Dev.
Ms. Shanta King	Project Manager

- The Project Management Unit is staffed as follows:
  - Project Manager – Shanta King
  - Project Officer – Giselle Baptiste (currently Isidore) (previously Mr. Lennon Frederick)
  - Junior Project Assistant – Steffi-Ann St. Clair

Other pieces of medical equipment donated directly and stored by St. Jude Hospital are under the purview of the Management and Board of St. Jude Hospital. Dr. Poyotte to clarify if required.

11. Supply and Installation of Medical Equipment: Initially the project scope did not include the supply and installation of medical and specialized equipment. Over time as the scope changed as there was a need to include key pieces of equipment. Over the years various pieces of equipment have been catered for with respect to replacement, upon transfer or new purchase. However due to the delay in completion of the works the equipment needs have increased due to equipment in use at the stadium becoming obsolete or reaching end of useful life. A room by room analysis was in progress and should continue with St. Jude Hospital to reconcile equipment needs with available financing.

12. Accreditation Process Initiation – When the decision was taken to reconstruct St. Jude Hospital it was understood that the facility upon transfer and once operational would be seeking accreditation. In this regard a decision was taken by the project steering committee that the Project Management Unit would have dialogue with Accreditation Canada (Mr. Luiz Cabezas, recently Ms. Markirit Armutlu) to obtain information for commence the process. Over the years we have been having dialogue with accreditation Canada to develop a Roadmap for Accreditation. It was clear that the actual process of accreditation could not commence before the hospital had transferred.

Proposals were received from Accreditation Canada for the commencement of the accreditation process which was scheduled for January / February 2017 based on a January 2017 hospital transfer. In advance of this, a site survey at the stadium would have been done in July 2016 to review processes and procedures to provide advance feedback to the hospital on areas they needed to address in advance of the transfer. Also proposals were received from Accreditation Canada to assist St. Jude Hospital with the development of relevant Policies and Procedures and Procedures Manuals. This activity was scheduled to commence July 2016. Accreditation Canada also assisted in identifying a suitable contractor to assist St. Jude Hospital with the transfer from the Stadium to the new facility. Dr. Poyotte has been reviewing and has signed off on the relevant proposals for commencement. Any further clarification should be sought from Dr. Poyotte, St. Jude Hospital.

- It should be noted that for a period of 5 years (January 2011-December 2015) the St. Jude Hospital Project Management Unit provided administrative support for the Water Sector Reform Project planning the Dennerly and Vieux Fort Water Supply Redevelopment Project. For a period of 1.5 years there was a dedicated project officer for water, after which the all staff of St. Jude Hospital Reconstruction Project had to fulfill a dual role for both projects. Despite the requests for replacement of staff and recruitment of additional staff to meet the demands of the projects, this was not approved and as such this posed an additional burden on the PMU staff. The water projects were transferred to the Ministry of Sustainable Development in December 2015.

### C. Project Finance

- Donations received for St. Jude Hospital Reconstruction Project

The following highlights Donations and Contributions received on behalf of St. Jude Hospital.

<i>Government Donors</i>	<i>Amount EC\$</i>
<i>1. Grant from the Government of the Republic of China (Taiwan) for Infrastructure and Radiological Equipment</i>	<i>22,500,034.00</i>
<i>2. Government of Australia Grant</i>	<i>1,092,590.00</i>
<i>3. Grant from the Government of Mexico</i>	<i>7,144,941.24</i>
<i>4. Grant from the Government of Germany</i>	<i>2,087,195.07</i>
<i>5. Grant from the Government of Israel</i>	<i>40,317.70</i>
<i>6. Grant from the Republic of India</i>	<i>672,045.00</i>
<i>7. Donation of Medical Equipment from Hess Corporation</i>	<i>2,716,900.00</i>
<i>8. Donation of Medical Equipment from the Government of the United States of America</i>	<i>2,716,900.00</i>
<i>9. Total Local Cash Donations and Donations from Overseas Individuals and Organisations.</i>	<i>2,061,739.00</i>

The ongoing challenges with the main contractor had been managed through a few key mechanisms :

1. All nominated sub-contractors and suppliers were paid directly by the Government of the Saint Lucia through the main contract.
2. The Supervision Consultant handled procurement management of specialized equipment and furniture due to the technical deficiencies of the main contractor.
3. A new Main Contractor (OB Sadoo Engineering Services Ltd.) was contracted in January 2014 to continue works. All the existing sub-contractors and suppliers migrated to the new contractor seamlessly. Collateral Warranties were recommended by the Consultant to provide additional security with respect to the sub-contracts under the main contractor to ensure that the sub-contractors are liable to the client in event of issues between Contractor and Client as in the case with CDC Ltd. Collateral Warranties still pending signature by the Permanent Secretary.
8. The consultant was severely constrained and challenged due to the uncertainty of the available financing. Only after confirmation of the pending availability loan funds in October 2014 was the consultant directed to proceed with full implementation of Phase 1 which included various extensions and expansion of St. Jude Hospital to facilitate permanent occupation. Prior to this there was no confirmation that the Government of Saint Lucia was able to fund the Revised Policy direction of full reconstruction of St. Jude Hospital. At this stage there were modifications to original designs to ensure suitability of the space for long term occupation. A number of architectural reviews were undertaken by Halcrow Group Ltd in collaboration with St. Jude Hospital, Equipment Specialists and Design Specialists. In addition to general review, Specialist Design Areas included but not limited to: CSSD Sterilization Areas, Dental Suite, Eye Clinic, Radiology Suite, Endoscopy Suite, Cardiology Clinic, Operating Theatres, Maternity Areas, Outpatient Areas, Patient Wards, Kitchens and Food Service Areas, Laundry Facility, Morgue, Warehouse. In an effort to facilitate the transition from the renovation works for temporary use to the reconstructed works for permanent use, Halcrow Group Ltd also collaborated with Accreditation Canada to support the architectural reviews to feed into the hospital layout and final designs.

1. **Contract 1** - Partial Demolition of the Surgical Building
2. **Contract 1a** - Post Hurricane Tomas Emergency Works at the Temporary Site of the St. Jude Hospital, George Odum Stadium
3. **Contract 2a** - Reconstruction of the Surgical Building: Civil Works
4. **Contract 2b** - Reconstruction of the Surgical Building: Specialist Installations & Medical Equipment and Furniture Supply and Installation
5. **Contract 2c** - Supply & Installation of Additional Medical Gases, Nurse Call System and Remobilisation
6. **Contract 3** - Renovation of East and West Wing: Roof Replacement.
7. **Contract 4** - Renovation of East and West Wing : Internal & External Works
8. **Contract 5** -Renovation of East and West Wing, Surgical and Ancillary Buildings
9. **Contract 6** - Reconstruction of the Ancillary Buildings and the Procurement of Kitchen and Medical Equipment
10. **Contract 7** - Reconstruction of the Ancillary Buildings Phase II and Infrastructure Works
11. **Contract 8** - Supply & Installation of Radiological Equipment for the St. Jude Hospital
12. **Contract 9** - Supply & Installation of Medical Equipment for the St. Jude Hospital
13. **Contract 10** - Supply & Installation of Covers with Odor Control to Wastewater Tanks and Supply and Installation of an Aquastore Glass-Fused to Steel Tank System

During the period 2012 to 2015 (FY 2012/2013, FY 2013/2014, FY2014/2015) the availability of funding dictated the pace of works on the ground. Despite the request by the Project Management Unit for adequate financial resources to progress work on site, the funds made available were inadequate and work on site was restricted to approved funds for the respective financial years due to budgetary constraints. As such the strategy for implementation of works was dictated by funding. The PMU advised the Consultant (Halcrow Group Ltd) on the available budget for the respective years. The consultant was charged with the responsibility to identify a feasible scope of works out of the overall scope of works to match the available funds. As such although much more work could have progressed in the period 2012/2015 (as above) the work completed was restricted to the contracts issued based on the available funds.

This inadequate financing posed additional issues especially with a change in policy direction which was eventually accepted by the new Government in November 2011 (Hon. Dr. K. Anthony). Due to the uncertainty of the funding it was challenging to progress certain project components on the ground.

6. In November 2013, a request was made to the Taiwanese Government for a loan to facilitate the completion of the hospital. This loan was processed and approved with signing of Loan Agreement in October 2014. This loan was facilitated by the Export Import (Ex-Im) Bank of Taiwan. The first disbursement (50%) of this loan was only received in January 2015. This resulted in a delay in the progress of work on the ground. Despite the fact that the loan was confirmed by the beginning of 2014 alternative arrangements for sourcing bridge financing were not approved resulting in additional challenges. These included but were not limited to the demobilization of contractors on site, downsizing of construction teams, increases in material costs as 2013 and other negotiated prices were no longer valid and were being revised by suppliers and contractors. As a result of these issues still impacting on the available funds a decision was taken to break up project into phases.

Phase 1 included all areas which could have been completed with the ROCT Loan funds which would permit St. Jude Hospital to relocate from the Stadium. This included all buildings in the entry way as well as all critical structures as well as other structures that could be constructed based on available funds. Also in Phase 1 was the German funded component for water and wastewater components which was implemented.

**27. Needs Assessment for the Preliminary Design of a Specialist Hospital in Vieux Fort.**

**28. Human Resource Assessment for St. Jude Hospital.**

A number of contracts had to be issued over a period of time for varying scope of works. This was a result of inadequate financing to facilitate procurement of a single contract. The contracts were issued based on financial resources approved for the respective financial years. The Consultant was advised of the approved budget and project sub components were extracted and contracts approved and issued to facilitate implementation.

In some cases the scope of works and the contracts were dependent of the source of funding. For example the German Government Grant was specifically for water and wastewater sub components. Republic of China (Taiwan) grant specifically for radiology equipment.

All contracts above were approved as direct awards by the Hon. Prime Minister (Hon. Stephenson King, Hon. Kenny Anthony) upon the written request and recommendation of the Permanent Secretary (Mr. Isaac Anthony, Dr. Reginald Darius, Ms. Tracy Polius) based on information provided by the PMU. The scope and the amount of all construction contracts were reviewed and recommended to the PMU by Consultant- Halcrow Group Ltd based on their reviews and professional recommendations. The initial decision to utilize Cyril Dornelly Construction Co. Ltd (CDC Ltd) to commence the construction works was made by the Government of Saint Lucia on the basis that the company was utilized at the time of the fire, prior to the commencement of the project to handle immediate construction needs especially asbestos removal on site.



Project Expenditure - St. Jude Hospital Reconstruction Project

Total Project Expenditure for period April 2009 to July 2016

Total Project Expenditure (April 2009 to July 2016) - St. Jude Hospital Reconstruction Project (EC\$)									
SOURCE	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	TOTAL EC\$
ROCT 3112	X	0.00	6,325,677.01	1,086,760.00	3,981,766.29	4,002,039.09	X	X	15,396,242.39
ROCT 3112 (Equipment)	X	X	X	X	5,385,628.13	X	0.00	X	5,385,628.13
ROCT 3113	X	X	X	X	X	6,131,854.74	13,813,599.69	37,026.48	19,982,480.91
GG 3772	X	X	X	171,164.70	1,529,715.84	557,971.76	X	X	2,258,852.30
GOA 3652	X	229,887.50	337,864.85	524,840.88	X	X	X	X	1,092,593.23
GOM 3812	X	X	X	X	X	X	1,086,852.60	542,017.60	1,628,870.20
PS 1992	X	0.00	2,882,392.63	X	X	X	0.00	X	2,882,392.63
IDA (DPL) 3CB3	X	2,111,507.53	X	X	X	X	X	X	2,111,507.53
BONDS	27,566.09	2,585,304.97	18,635,555.72	15,231,864.02	4,319,907.37	3,189,934.50	3,628,646.86	94,000.00	47,712,779.53
<b>TOTAL</b>	<b>27,566.09</b>	<b>4,926,700.00</b>	<b>28,181,490.21</b>	<b>17,014,629.60</b>	<b>15,217,017.63</b>	<b>13,881,800.09</b>	<b>18,529,099.15</b>	<b>673,044.08</b>	<b>98,451,346.85</b>

• NB. Project Expenditure from February 2010



The project expenditure is also shown in the following table with respect to sources of funding as follows:

- **ROCT 3112-** Grant Funding from Republic of China (Taiwan) for Infrastructure
- **ROCT 3112 (Equipment)** - Grant Funding from Republic of China (Taiwan) for Radiological Equipment.
- **ROCT 3113** - Loan Funding from Republic of China (Taiwan) for Infrastructure (Export-Import Bank of China)
- **GG 3772-** Grant Funding from Government of Germany for Water and Wastewater Infrastructure
- **GOA** – Grant funding from Government of Australia
- **GOM 3812** - Grant funding from Government of Mexico for Exterior Lighting, Morgue Building and Ambulance and Monitoring Building
- **PS 1992** - Grant funding from the Private Sector
- **IDA (DPL) 3CB3** – International Development Bank – Development Policy Loan
- **Bonds 1004** - Government of Saint Lucia Bonds

All supporting documentation for information summarized about is located in the PMU Office in the Financial Files.

### Project Expenditure Period Ending July 31<sup>st</sup>, 2016

- The total project expenditure of **EC\$98,451,346.85** is shown in the following table, from the commencement of the project (February 2010) in the financial year 2009-2010 to the end period of Financial Year 2016-2017 (July 31, 2016). **Please note that all expenditure for all financial years confirmed by the PMU and Accounts Department, however Accounts Department confirmation is pending for financial year 2016/ 2017 for period ending July 31, 2016.**
- The project cost consists of payments of invoices and certificates from the contracts listed above in addition to the Project Management Unit expenses which are inclusive of project utility payments (water and electricity), salaries, office expenses and vehicular expenses.

### Total Project Expenditure up to Financial Year 2016/2017 period ending July 31, 2016

No.	Financial Year	Expenditure EC\$	Confirmed
1	2009-2010	27,566.09	PMU & Accounts Department Verified
2	2010-2011	4,926,700.00	PMU & Accounts Department Verified
3	2011-2012	28,181,490.21	PMU & Accounts Department Verified
4	2012-2013	17,014,629.60	PMU & Accounts Department Verified
5	2013-2014	15,217,017.63	PMU & Accounts Department Verified
6	2014-2015	13,881,800.09	PMU & Accounts Department Verified
7	2015-2016	18,529,099.15	PMU & Accounts Department Verified
8	2016-2017	673,044.08	PMU Verified & Accounts Department Verification Pending
<b>TOTAL</b>		<b>98,451,346.85</b>	

## D. Issues, Challenges and Constraints

1. Financial Resources not available at the commencement of the project to facilitate the vision articulated and the policy direction.
2. Project was initiated as a result of an emergency and did not go through the normal project development cycle of similar projects which is historically 5-10 years prior to physical implementation.
3. This resulted in the initial policy direction of basic renovation on old site and new development on new site through a Public Private Partnership. The International Finance Corporation of the World Bank was engaged to work with the government to facilitate the financing and implementation of the new facility. (IFC Counterpart- Ms. Michelle Ottey). Initially both short and medium term solutions were being implemented simultaneously.
4. Project Implementation commenced on the original site in September 2010 with minimal funding to facilitate only the short term solution. Planning, design and construction had to be undertaken simultaneously by breaking up into sub components, which is not normally the preferred mode of implementation but this was necessary in an effort to progress quickly.
5. Change in Policy Direction August 2011 resulted in a re-planning exercise to facilitate permanent reoccupation of St. Jude Hospital. However, financing was not available to meet the requirements of this new direction. As such the PMU developed a strategy to disaggregate the outstanding works into smaller components and into thematic areas to qualify for targeted sources of funding such as Water and Wastewater Components, Renewable Energy Components, Medical Equipment Components. This resulted in the Project Management Unit preparing various proposals for funding (Mexican Government, German Government, World Bank, United States Government, Taiwanese Government).

Construction on site from 2010 to 2014 was directly related to the limited funds available through Government of Saint Lucia, Republic of China (Taiwan), German Government, Australian Government. With the change in the implementation strategy there was a greater demand on the Government of Saint Lucia to mobilize financial resources to facilitate implementation of works.

14. **Contract 11** - Supply & Installation of Underground Water Supply & Wastewater Infrastructure
15. **Contract 12** - Supply & Installation of Water Treatment and Wastewater Equipment
16. **Contract 13** - Supply & Installation of Underground Electrical & Telecommunications Infrastructure
17. **Contract 14** - Construction of the Surgical Building
18. **Contract 15** - Reconstruction of Ancillary Buildings Phase II and Infrastructure Works
19. **Contract 16** - Supply & Installation of Underground Electrical & Telecommunications Infrastructure Phase II
20. **Contract 17** - Construction of Surgical Building and Associated Works
21. **Contract 18** - Construction of the East, West, Ancillary buildings and Associated Works
22. **Contract 19** - Construction of Ancillary Buildings and Supply & Installation of Furniture and Equipment.
23. **Design Review & Supervision for the Reconstruction of the Surgical Building and the Renovation of Other Buildings for the St. Jude Hospital - Contract No.1**
24. **Design, Supervision and Procurement Management for the Reconstruction of the Surgical Building and the Renovation of Other Buildings for the St. Jude Hospital - Contract No.2**
25. **Public Relations Programme for the St. Jude Hospital Reconstruction Project**
26. **Environmental Impact Assessment (EIA) for the Construction of St. Jude Hospital at the new Location.**

In keeping with the strategy of submitting multiple funding proposals, the PMU submitted a request for funding for the implementation renewable energy solutions for the Hospital. This was approved for submission in January 2014 and was submitted to the focal point for the relevant project Ministry of Sustainable Development (PS Clauzel / Ms. J. Ephraim). It should be noted that the submission of this proposal as well as all funding proposals were communicated to and approved by the Project Steering Committee. The Ministry of Health is part of the Steering committee and has full knowledge of funding submissions including the submission for renewable energy solutions for St. Jude Hospital. Although the funding for St. Jude Hospital was approved by the Donor a subsequent decision was taken to divert the resources to the New National Hospital. Assurances have been given by the Permanent Secretary (Ms. T. Polius) that other sources of funding will be mobilized to execute these components for St. Jude Hospital.

Phase 2 included the Mexican funded component included the Morgue Building & Equipment, Ambulance Building and Compound Lighting. This was facilitated with a grant from the Government of Mexico. The grant was only possible for project components not yet under construction, hence the specific sub-component. The Government of Saint Lucia applied to the Mexican Government as well for a loan to complete the facility but this was not considered because the project was already in progress.

Phase 3 included components that could have been delayed if the requisite funds were not available for implementation with Phase 1 (i.e. Isolation Building, Decontamination Building, Accommodation Building, Training Equipment, Other Equipment, Maintenance Contracts, General and Medical Training).

7. Challenges with the Original Main Contractor – Cyril Dornelly Construction Co. Ltd resulting in ongoing contracts being concluded by December 2013. The major issue with the main contractor was primarily his inability at the time to adequately finance the project works despite being paid for work done. There were no major issues with all the sub-contractors and associated works proceeded as expected except where hindered by the main contractor whose major responsibility was that of the civil work components.

- Most of the cash donations were received before March 2010 and deposited in the donations accounts in the name of the Accountant General. The budget department conducted a reconciliation exercise to confirm the amount donated versus cash in the bank. After reconciliation of the cash donated all funds were transferred to the donation account in the Bank of Saint Lucia. Subsequent to this period in kind contributions have been received directly by St. Jude Hospital. Some cash contributions were received and utilized by St. Jude Hospital directly for the day to day operations at George Odlum Stadium in keeping with the request of the donor. The cash donation in the bank was utilized for implementation of works after being incorporated into the budget estimates of expenditure as a private sector grant (PS 1992). All cash donations received after March 2010 was also deposited into the Project Account at Bank of Saint Lucia and incorporated into the other project funds through the Budget Process.
- Medical Equipment and Supplies donated by Hess Corporation and the United States of America were received and handled directly by St. Jude Hospital.

- **Loan Funding**

The Government of Saint Lucia applied for Loan funding from the Government of the Republic of China (Taiwan) for the completion of Phase 1 in November 2013. A loan was approved from the Export Import (Ex-Im) Bank of the Republic of China (Taiwan) in the amount of Twenty Million US Dollars- **US\$20,000,000**. In **January 2015, 50% of the loan funding was disbursed**. Upon utilization of the first tranche of funding, the second disbursement can be applied for. Details of loan arrangements contained on loan agreement in the PMU.

- **Project Contracts awarded by Government of Saint Lucia**

This project is being implemented in components with discrete contracts in an effort to expedite implementation. As a result design and implementation was simultaneous. Under normal circumstances there would have been a single contract covering all the project components. All contract information contained in the PMU. The main contracts to date are as follows:

9. Challenges with the Remobilization of Sub Contractors and the Taiwanese Specialist Contractor Holdyear Construction Co. Ltd resulted in numerous delays on the ground. Due to delays in implementation of the general hospital components Holdyear Construction Co. Ltd demobilized from site and Saint Lucia. They were contracted initially to undertake works in the Surgical Building only. However their services were contracted as well to undertake works in the East Wing as well.

When funds were received from the ROCT Loan and all local contractors and sub-contractors were remobilized there were significant delays with Holdyear Construction Co. Ltd. re-mobilizing on site from Taiwan and the Philippines where the workers originated. This resulted in delays on the ground with other sub-contractors working in collaboration with Holdyear Construction Co. Ltd. They finally remobilized in February 2016, after which time work was able to progress more efficiently.

10. Equipment and Materials in storage: During the implementation of the project it became necessary to store construction materials and associated equipment. All materials and equipment stored are the responsibility of the relevant contractors until incorporated into the works or installed. Halcrow Group Ltd to provide details on equipment and materials in storage on site and off site.

Medical equipment procured through the project currently in storage include: Equipment supplied by Holdyear Construction Co. Ltd. The storage of equipment and furniture from this company was communicated to the Project Steering Committee (Refer to Minutes of Meeting No. 12). The equipment in storage has been reviewed periodically by the Consultant. Refer to recommendations for operationalizing equipment submitted by Halcrow Group Ltd.

Over the last 2.5 years there have been a number of requests from St. Jude Hospital being aware of the equipment in storage. Based on the requests from St. Jude Hospital a number of pieces of equipment have been transferred further to approval of the Permanent Secretary / Deputy Permanent Secretary (PMU files contain relevant approval for transfer documents). This included medical equipment stored by Holdyear, Laundry Equipment, Printer and Computer work station for mobile x-ray unit.

4. Finance and Admin Officer – currently post not filled (previously Ms. Diane Robinson)

- The Office of the Accountant, Department of Planning provides day to day accounting services for the processing of all payments while the Project Management Unit maintains the financial records. This role of the Accounts department commenced from February 2010 to date.
- Halcrow Group Ltd was recruited in July 2010 to provide technical and supervisory support for this project. The consultant provided design, supervision and procurement management services for the implementation of the works. These services were consistent with the direction of the Government of Saint Lucia with respect to the scope of works and associated policy direction. Services changed as scope changed from basic renovations for temporary occupation to full reconstruction for permanent occupation. Timeframe of services was consistent with the implementation of the works.

In an effort to expedite reviews and facilitate continuous information exchange the consultant worked very closely with the Project Management Unit Staff. In the early stages the Project Officer (Mr. Lennon Frederick) was based at the consultant's office in Rodney Bay and Vieux Fort. This allowed for a better understanding of the project technical requirements and implementation. This continued when Ms. Giselle Baptiste replaced Mr. Frederick. However due staff demands and shortage of staff Ms. Baptiste's role varied and involved more office based project administration. As well the Project Manager worked closely with the consultant in an effort to participate in meetings and technical reviews to have a better understanding of the technical requirements and to closely monitor the implementation of the project.

In an effort to ensure the requirements of the stakeholders were met the Consultant and the Project Management Unit collaborated very closely with St. Jude Hospital. St. Jude Hospital input and approvals were co-ordinated with Dr. Poyotte, CEO, St. Jude Hospital and his designated personnel. Key areas of collaboration: Hospital Layout and Facilities, Equipment and Furniture requirements, Signage, Accreditation Roadmap and Initiation, Operations and Maintenance Plan, Evacuation Plan, Biomedical, Solid and Chemical Waste Management Plan, Security Management Plan, Hospital Commissioning and Transfer Plan.



13. Development Control Authority Approval: From the inception of the project the Permanent Secretary, Ministry of Physical Development (Mr. George James) was written to, appraised of the project and a request was made for the assignment of an officer for support throughout the process of seeking approval. This process of seeking approval was deferred as initially basic renovations were being done not resulting in an increase in the existing foot print of the facility and the plans for the new facility on the new site had not yet been developed.

As time progressed and the new policy direction was being effected and the associated funding became available, Halcrow Group Ltd proceeded to work with the various referral agencies to ensure review and approval of the facility. When the project phases had been confirmed and it was clear which components were been financed, final approval was sought. The approvals were received from the referral agencies i.e. Fire Service, Health Department etc. Subsequent to this the final submission was made including all relevant referral agency approvals.

The application was recommended for approval however the Ministry of Physical Development informed that the Board has requested a presentation of the Project prior to approval. The PMU has agreed to the presentation and was awaiting information on its schedule. Subsequently, the Development Control Authority (DCA) Board was dissolved upon the change of Government. We were advised that the approval would be reviewed upon appointment of the new board of the DCA.

14. Since the establishment of St. Jude Hospital in 1966 by the Catholic Church, the St. Jude Hospital Chapel has been an integral part of its operations. The hospital has in the past had a Hospital Chaplain resident on the property to facilitate provision of services to patients. It should be noted that the Catholic Church continues to have an excellent relationship with St. Jude Hospital and up to the time of fire has maintained support for the Hospital through the provision of Chaplaincy Services. The Roman Catholic Church intends to maintain this support and has made a monetary donation towards the construction of the Chapel. The Church has also continued to support St. Jude Hospital by mobilizing donations of medical and other supplies.

- **Revised Policy Direction- August 2011 (PM Hon. Stephenson King):** As a result of the change in scope and associated cost it was determined that the approach to the renovation of the existing facility and construction of a new facility at Beausejour, be revisited. In this regard, a new strategic approach had been approved by the former Prime Minister King in August 2011. This new approach allowed for the renovated facility to be retained and a smaller specialist hospital to be constructed on the new site. As a result:

1. This approach was expected to guarantee the reinstatement of St. Jude Hospital completely at its original site with new and improved infrastructure.
2. The preliminary design for the New Specialist facility was initiated with the commencement of a Needs Assessment to inform the design of the new facility. This was expected to facilitate a new design brief for the development of preliminary designs and bid documents for a possible PPP transaction. It is expected that this facility would be a referral hospital to serve Saint Lucia and the Region. The International Finance Corporation of the World Bank had been informally engaged to advise the Government of Saint Lucia on the feasibility of a Public Private Partnership Transaction. The due diligence process was ongoing after which a formal engagement was expected. This is currently on hold and being reviewed by the Ministry of Health and the Ministry of Finance, Public Private Partnership Committee.

6. Guscomms Ltd. - Donation of Installation of Sound System.
7. Innovation St. Lucia Ltd. – Donation of Supply and Installation some Chapel Furniture.
8. Paints Plus Ltd – Donation of Supply and Installation of all Wall Finishes.
9. Caribbean Metals – Donation towards Roofing Material.
10. Roman Catholic Church – Monetary Donation towards the Construction of the Chapel.

Details of the above to be provided by Halcrow Group Ltd.

## **E. Outstanding Issues for Action**

### **1. Finance**

- a. Project Financial Information: All financial information has been compiled and signed off on by the Project Management Unit and the Accounts Department from February 2010 - July 2016.
  - i. Outstanding issues – Journal Adjustment pending by Accounts Department and Treasury Department.
  - ii. Missing Bank Statements to be retrieved from bank- Ongoing with Treasury Department.

**Action: Project Officer and Junior Project Assistant to follow up on outstanding issues.**

### **b. Outstanding Payments for Processing**

- i. 3 No. OB Sadoo Engineering certificates for period ending July 8. Certified by Halcrow, Reviewed and Certified by the Project Management Unit.
- ii. Outstanding Invoices for Period December 2015 – March 2016, April 2016- July 2016 for Halcrow Group Ltd. Reviewed and Certified by Project Management Unit. (Awaiting final approval and signing of Variation Contract and Contract 3)

**Action: Junior Project Assistant to submit and follow up subsequent to approval.**

This provided an opportunity for the Government of Saint Lucia to communicate the broader vision for St. Jude Hospital which was in-keeping with the Vision Plan for the South of the island. Renovations works at the original site was expected to be complete for re-opening of the facility and relocation from the George Odum Stadium from September 9, 2011.

- Due to the nature of the project, it was initiated in phases to allow for simultaneous design and implementation. Although the main building damaged in the fire was the surgical building, Government took the decision to undertake a wide scale renovation of the facility as other components were in a state of disrepair, as the buildings were originally built in the 1940s and continued to pose a risk to the operations of this important health care facility at that location. This included degraded electrical infrastructure, asbestos roofing material on all buildings, asbestos lagged pipelines, inadequate water storage and wastewater treatment, general dilapidated building infrastructure.
- All the buildings of the facility were stripped completely, leaving in some cases only external concrete walls. The renovation works also facilitated a reconfiguration of the hospital layout to improve the delivery of services. In some areas an extension of building area was facilitated.

*The renovation works for all buildings include:*

• <i>New Roofing System with fire protection</i>	• <i>Specialised Flooring Systems</i>
• <i>New Electrical Installation</i>	• <i>New Elevator Installation</i>
• <i>New Plumbing Installation</i>	• <i>New Furniture &amp; Equipment</i>
• <i>New Hot Water Installation</i>	• <i>New Medical Equipment</i>

This list is to be verified by the Customs Department. PMU to be in possession of the associated customs entries. Halcrow Group Ltd to provide updated list with outstanding VAT amounts to be paid on behalf of contractors and suppliers.

**Action:**

1. Project Officer to ensure project updates, minutes, proposals etc are filed in hard copy as well as kept electronically.
2. Junior Project Assistant to ensure all correspondence received is adequately filed.
3. Project Officer to prepare tax exemption letters for signature.
4. Project Officer to follow up on outstanding Customs Entries for Submission.

**3. Consultants Obligations – Halcrow Group Ltd:**

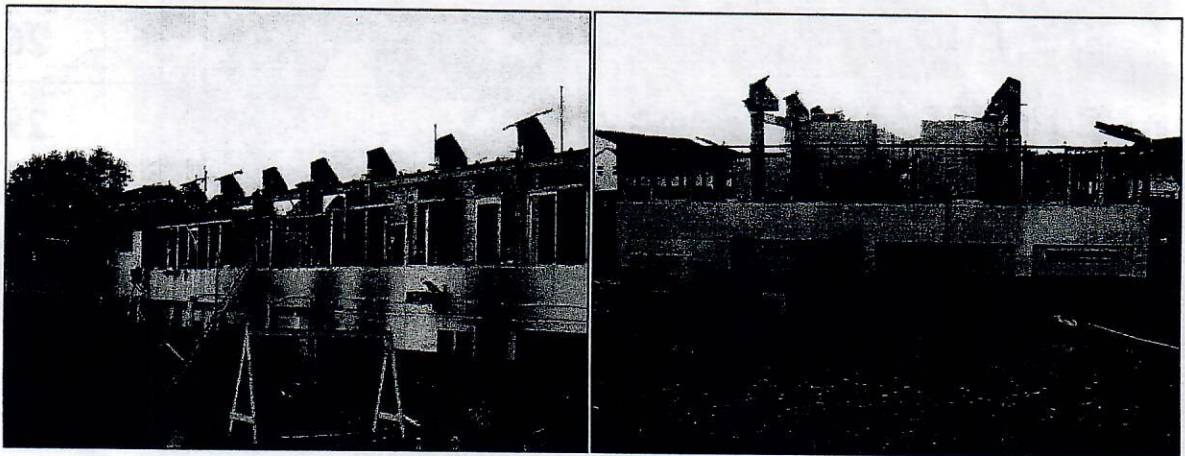
- a. Consultant to produce a Handover Technical and Financial Report including but not limited to :
  - i. Status of all works by all Contractors.
  - ii. Status of all works by Sub Contractors.
  - iii. Status of Procurement of Materials and Supplies from Nominated Suppliers.
  - iv. Status of Storage of Procured Materials and Supplies.
  - v. Status of Payments made per contractor/ suppliers under all contracts.
  - vi. Status of Technical Support Provided to UNOPS.
- b. Report on the Status of Items cleared under Project Bond pending VAT Payments to Customs Department.
- c. Response to the request from the DCA Board for additional technical information to facilitate final approval. Information to be submitted to the Executive Secretary of the DCA.

**4. Review of UNOPS Proposal for support with the Commissioning of St. Jude Hospital.**

- a. Presentation of the UNOPS Proposal to the Steering Committee for review and approval.

## A. Background & Project Overview:

- On September 9<sup>th</sup>, 2009 the St. Jude Hospital located in Augier, Vieux Fort was a devastated by fire. St. Jude Hospital at Cantonement, a ninety-seven bed, major referral Hospital on the island was rendered non-functional. The fire destroyed the surgical ward and the operating theatres of an already aging plant. This resulted in significant major disruptions and termination to services in the south of the island.
- Immediately, St. Jude Hospital was relocated to the George Odlum Stadium which was at the time, vacant and able to provide the space required for reinstatement of the hospital operations. Since then the St. Jude Hospital continues to function commendably at the George Odlum Stadium to the credit of the Management and Staff of the hospital as well as the numerous persons, agencies, companies and friendly governments who have made contributions in cash and kind.



*St. Jude Hospital Surgical Wing after fire*

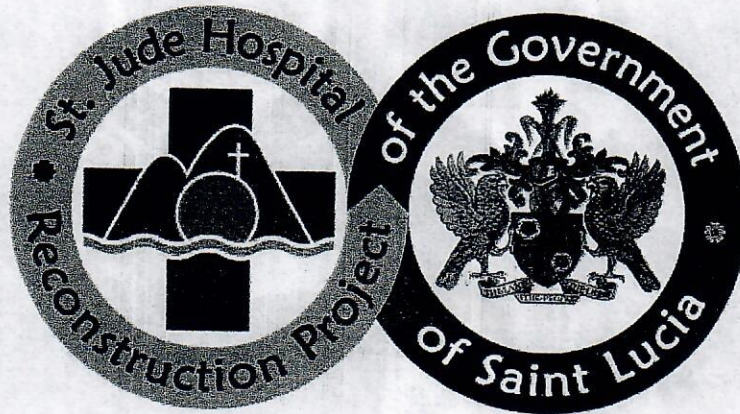
- As a result of the damage to the components of an already aged facility, the Government of Saint Lucia took an initial policy decision to rebuild the St. Jude Hospital. This was necessary in order to restore the capacity of the southern region to facilitate the healthcare needs of the population in the South as well as clients from the north which includes almost 66,000 patrons.

11. Financial Records for period February 2010 to August 2016.
12. General Correspondence (Internal and External).
13. Annual Submissions for Budget Approval (2010 to 2016)

*Prepared and Submitted by*

*Shanta King*  
**Shanta King**

*End of Document*



# Handover Report

For period ending  
14 August 2016

Prepared by Shanta King

submitted for the information of the :

Government of Saint Lucia