

Key Findings and Recommendations Factsheet

RHH Redevelopment Rescue Taskforce

Background

The State Government commissioned the Taskforce in May 2014 to resolve the outstanding issues facing the construction of the RHH inpatient precinct known as K-Block.

The Taskforce conducted broad consultation and received important input from THO- South clinicians and staff. They sought expert advice to support the investigation and were also supported by a Professional Reference Group.

The key findings and recommendations address the Terms of Reference of the Taskforce. This includes the: capital and operating risk profile of the project and the RHH; construction methodology; decanting requirements; governance and management; Guaranteed Construction Sum presented by the Managing Contractor; and other related matters.

The two other matters that needed immediate confirmation were the appropriateness of redeveloping the current site and the scope of the proposed K-Block design.

Key Findings and Recommendations

It is the view of the Taskforce, that if the project had gone ahead earlier, it would have exposed patients, staff and the government to significant risks.

The key findings and conclusions of the Taskforce are summarised as follows:

Redeveloping the Current Site

The redevelopment of the RHH is feasible and could proceed.

Substantial time, energy and money have already been invested in the redevelopment of the RHH site. Moreover, the time and costs of an alternative greenfield development are prohibitive.

Scope of the RHH Redevelopment Project

The scope of the project is consistent with the Commonwealth-State intergovernmental agreement requirement to provide 195 overnight beds and other outputs.

The project would support the delivery of contemporary models of care for services located in K-Block and provide enough flexibility to accommodate changes identified during health reform planning, changes to models of care over time, or in response to future demand.

The design of K-Block was based on significant clinical consultation but a small number of outstanding concerns were largely redressed by the Taskforce in a new design which would:

- increase the number of single beds for women who have had caesarean or complex births. This can be accommodated through limited redesign change
- provide a more contemporary design for mental health inpatients with more outdoor recreational space with a further investment of \$2.4 million (which is included in the project's budget) and
- include a helipad which is supported by clinicians and Ambulance Tasmania and would require an investment of \$10.5 million (which is included in the project's budget).

Construction Methodology

A new construction methodology has been developed that takes the best aspects from the options considered previously.

It would provide better outcomes for patients, is safer and has the shortest construction program for K-Block

The new completion date of late 2018 would be renegotiated with the Australian Government.

Work would be able to commence early in the 2015.

The close proximity of the hyperbaric chamber to the construction site presents risks to its continued availability for patient care. It is at the end of its 25-year design-life and would need to be replaced during the period of construction of K-Block.

Its replacement would be brought forward to avoid these risks.

Decanting Plan

The decanting plan required to support the preferred construction methodology would include 19 service relocations and 29 refurbishments. The implementation cost of \$51.04 million is included in the budget.

It would also involve the construction of a temporary building on the Liverpool Street forecourt.

Budget

The total cost for the three phases of project is \$657 million or \$552 million for Phase 3.

This requires further investment of \$71.9 million.

This includes the costs of decanting, an improved design for mental health services and includes a helipad in the project.

Guaranteed Construction Sum

The significant work undertaken by the Taskforce on the construction methodology, design and budget analysis means the Guaranteed Construction Sum (GCS) Offer from February 2014 would need to be revised.

Negotiations are underway with the Managing Contractor to establish the necessary varied contractual arrangements for the project to proceed.

As soon as this is resolved necessary critical works including the removal of hazardous materials, refurbishments and other early works can commence. Starting these works will avoid delays to the K-Block construction program.

Governance and Project Management

A new governance framework would be needed that is suitable to a construction project.

An Executive Steering Committee (ESC) would provide strategic leadership and oversight, reporting directly to the Minister for Health and the Treasurer.

A Project Director would be responsible to the ESC for delivery of the project.

Conclusion

The findings and recommendations provide a clear pathway for construction and decanting patients that mitigates risk and optimises space for clinical services.

They underpin a project that can be managed to budget and delivered on time and with minimal disruption to patients.

The recommendations reset the project so that the contract arrangements are contemporary and can take the project into the construction phase.

It is through these steps that the project can proceed and the proposed K-Block can be constructed.

For more information see report of the Taskforce, *RHH Redevelopment Project, Key Findings and Recommendations*, 28 November 2014 at

www.rhhrescuetaaskforce.tas.gov.au