

HANSARD

NOVA SCOTIA HOUSE OF ASSEMBLY

COMMITTEE

ON

PUBLIC ACCOUNTS

Wednesday, January 29, 2020

Legislative Chamber

**QEII New Generation Project
Halifax Infirmary Expansion and Community Outpatient Centre
December 2019 Report of the Auditor General, Chapter 2**

Printed and Published by Nova Scotia Hansard Reporting Services

Public Accounts Committee

Keith Bain (Chair)
Suzanne Lohnes-Croft (Vice-Chair)
Ben Jessome
Hon. Margaret Miller
Brendan Maguire
Hugh MacKay
Tim Halman
Lisa Roberts
Susan Leblanc

[Claudia Chender replaced Lisa Roberts]

In Attendance:

Kim Langille
Legislative Committee Clerk

Gordon Hebb
Chief Legislative Counsel

WITNESSES

Department of Transportation and Infrastructure Renewal

Paul LaFleche, Deputy Minister
Michele Peveril, Senior Director, Policy & Governance (NS Lands/TIR)

Nova Scotia Lands Inc.

Stephen MacIsaac, President and CEO
John O'Connor, Vice President, Infrastructure, Health Care Infrastructure Projects
Gary Porter, Senior Director, Procurement & Finance

Nova Scotia Health Authority

Paula Bond, Vice President Operations and Clinical Infrastructure, Central Zone, NSHA
Dr. David Kirkpatrick, Professor, Head of Department of Surgery, Dalhousie University
Chief of Surgery, Central Zone, NSHA



House of Assembly
Nova Scotia

HALIFAX, WEDNESDAY, JANUARY 29, 2020

STANDING COMMITTEE ON PUBLIC ACCOUNTS

9:00 A.M.

CHAIR
Keith Bain

VICE-CHAIR
Suzanne Lohnes-Croft

THE CHAIR: Order please, we will call the meeting of the Standing Committee on Public Accounts to order. Welcome to everyone this morning. Anybody that has any cellphones, please place them on silent or vibrate.

We'll begin by asking the committee members to introduce themselves, starting with Ms. Leblanc.

[The committee members introduced themselves.]

THE CHAIR: We also have representatives from the Office of the Auditor General, the Clerk's Office and Legislative Counsel in attendance as well.

On today's agenda, we have officials from the Department of Transportation and Infrastructure Renewal and Nova Scotia Lands with us to discuss the QEII New Generation project, Chapter 2 of the December 2019 Report of the Auditor General. I'll ask the witnesses to introduce themselves.

[The witnesses introduced themselves.]

THE CHAIR: We'll ask the witnesses to make their opening remarks.

JOHN O'CONNOR: Good morning, Mr. Chair, and members of the committee. On behalf of myself and Deputy Minister LaFleche, thank you for inviting us to speak to you and answer your questions about the QEII New Generation project, as well as recommendations raised by the Auditor General in his recent report. I and my team welcome this opportunity to discuss the important work the project team is doing to reshape how health care is delivered in Nova Scotia.

My name is John O'Connor. I have a few more comments here about introductions, and I'll skip through them quickly because we already had introductions. I am the vice-president of infrastructure for the health care infrastructure projects division, and the lead for the QEII New Generation project for the provincial government.

Starting at the far end, already introduced, is Paula Bond. Paula is also co-chair of the QEII New Generation project. Next to me is Dr. Kirkpatrick who can speak to the public health benefits of this work that we are doing. His role at the Health Authority included being a key adviser throughout the planning for this project for many years. Gary Porter is sitting to my right. His job is to lead the procurement and implementation of the P3 components of the project. Any questions around the P3 components, Gary is able to address.

Deputy Minister Paul LaFleche is at the end. Steve MacIsaac introduced himself as president and CEO of Nova Scotia Lands. Nova Scotia Lands is the provincial Crown corporation under TIR. Recently a new division has been created within Nova Scotia Lands to oversee and manage the delivery of the QEII New Generation project and Cape Breton redevelopment projects. Michelle Peveril is the senior director of corporate governance and policy with TIR and Nova Scotia Lands. She has been with us for a few months, and she has also been helping out with the work that we have been doing with the Auditor General's Office.

The redevelopment of the QEII Health Sciences Centre represents the largest infrastructure project ever undertaken in the province. It is a once-in-a-generation opportunity that will help the government to meet the growing health care needs of Nova Scotians. From the beginning, the QEII project has been driven by public and health care user needs along with input from hundreds of clinical and non-clinical staff, including more than 40 specialty teams. We wanted to ensure that everything from operating room designs to the location of hospital services is aligned with future patient and health care provider needs.

As the committee knows, the project includes the expansion of the Halifax Infirmary site, which is the heart of the redevelopment. That work at the Halifax Infirmary site will include the construction of a new in-patient centre which will house hospital in-

patient beds, ORs, and ICUs. It will also include a new innovation and learning centre, a new outpatient centre, located where the CBC building currently is. Other parts of the QEII project include a new outpatient centre at Bayers Lake, expansions at the Dartmouth General, renovations at the Hants Community Hospital, a new hospice in Halifax, renovations at the Halifax Infirmary, including some that are currently underway on the third and fifth floors to create new intervention suites, and a new hybrid OR, the first of its kind in Nova Scotia.

Today, we're here to speak about the Halifax Infirmary expansion and Bayers Lake project primarily as reviewed by the Auditor General. We are committed to the success of this project. The success starts with the members of our team. As a lead person for the QEII project, I want to assure you that we have a large team of qualified, competent professionals.

Personally, I'm a civil engineer. I've worked for the provincial government for over 38 years delivering public infrastructure projects. I started my career as a project manager overseeing many large hospital projects, including the Veterans Memorial building, the current Halifax Infirmary, the Cape Breton Regional Hospital and many others. For more than 20 years, I've led large groups within TIR as the director and executive director responsible for delivery of a wide variety of infrastructure projects. I was also the lead for the province on the new convention centre project, which is part of the Nova Centre complex.

Our QEII team includes professionals from multiple government departments, provincial government departments, medical professionals from Nova Scotia Health Authority, as well as external advisors who have national experience in complex infrastructure projects like this. It's very important that a complex project of this scope has the confidence of the public. Every member of the team is experienced and highly trained.

We recognize that success will depend on meeting the high standards of oversight and adheres to a governance model that ensures contracts will be well-managed, safeguards are in place and the process is transparent. That is why we engaged an experienced consultant in Deloitte to provide guidance and recommendations so the job is done right.

That is why we welcomed the Auditor General's Office to review our work at their earliest opportunity. We very much welcomed the Auditor General's Report and recommendations to help ensure we continued to set up the QEII New Generation project for success.

To date, 11 of the 18 consultant recommendations - Deloitte's recommendations - are fully completed and the remaining seven are nearing completion. Among the Auditor General's recommendations was one dealing with the number of team members who had completed provincial online fraud training. Government employees are required to complete online fraud training. Nova Scotia Lands staff on the team completed the training as they joined the team and all current staff have now completed the training.

We worked with the Health Authority to expand the training to their staff that are involved in the project team. That training is now complete as well. Additionally, the development of a fraud management program specific to the project is in progress. Through our internal audit group, we have begun the process of fraud audits with an outside consultant.

Work that is under way now will examine fraud risk measures that are in place and recommend any additional project-specific fraud risk and mitigation measures. Initial work will be complete in Spring 2020 and this work will remain ongoing to ensure it stays up to date as the project progresses.

I want Nova Scotians to understand that government takes fraud seriously. The actions we take to protect the public interest and taxpayer dollars are extensive and well-established within government and within TIR. As with any government project, small or large, fraud prevention policies and internal controls are in place to protect the public.

Through the P3 procurement process, there are a number of additional rigorous measures in place to mitigate the risk of fraud. An example of that is a fairness monitor that has been incorporated throughout the process to ensure that all interactions between the project team and the bidders are done fairly. Gary Porter, sitting next to me, can elaborate on these if you wish, if you have any questions as we go along.

Each member of the team also adheres to a professional code of conduct and code of ethics. The project also has internal controls, which include requirements to follow procurement and contract management guidelines. Our project team is almost fully staffed. At the time of the Auditor General's Report, it was stated that 41 of the positions associated with P-3 projects were filled. Now we have 47 of the 49 filled. The final two positions will be hired as the project progresses.

In fairness, we do not want to hire and bring on people to the project before they're needed, so some recommendations that are in the Deloitte report will continue on over time. As the project progresses, we'll add additional resources as required.

[9:15 a.m.]

In closing, let me state that I am proud of our team and the hard work and progress they have made. It is an exciting project for our province that will have significant benefits for all Nova Scotians. The many projects within the QEII redevelopment are all progressing well. We acknowledge that there are areas where we can do better, including improving the way we document our progress. I want to thank the Auditor General and his staff for his recommendations and we look forward to his further recommendations in the Spring 2020 report.

Thank you. My colleagues and I look forward to your questions.

THE CHAIR: Thank you. First, one thing: with seven people sitting around here, I'll take the direction from Mr. O'Connor as to who will be answering the questions, and that might make things flow easier.

We'll go with the first round of questioning, 20 minutes to each caucus. We'll begin with the PC caucus. Mr. Halman.

TIM HALMAN: Good morning, everyone. Mr. O'Connor, thank you for your opening remarks.

Two things stand out in my mind from your opening remarks. The first is how you mentioned the importance that we need to emphasize public and health care user needs, and you also indicated it's critical that there is confidence on the part of the public with respect to this redevelopment, a redevelopment that we all acknowledge is the largest capital investment in the history of our province.

That being said, my question is for Deputy Minister LaFleche. There is a lot of secrecy going on around the redevelopment. Is TIR prepared to make the entire QEII plan public?

PAUL LAFLECHE: Well, I'll refer that back to John O'Connor. John has been involved in the communications and can explain what was out in the public.

JOHN O'CONNOR: The master planning work that has been prepared to date - really, the master planning for the replacement of the VG Hospital building started in 2008, and it has evolved since 2008, but the primary focus since 2014 around bringing the services at the VG's Centennial and Victoria buildings to the HI site started around late 2015-16. All of those master plans are on the website for the QEII redevelopment. I don't have the website address, but people do, and we can provide that.

We have been open with all the planning work to date. We have another version of the plan to put up soon. Some of the recent planning around the parkade and the central plant is not in that document because it's just been evolving recently. To answer the question, we have been providing that information regularly. We presented it when we had official announcements and approval of this project in October 2018, and that's when we put all that information up on the website.

TIM HALMAN: When I look at the 2018 master plan, neither the heat plant nor the garage on Bell Road are indicated in that master plan. Certainly the question arises: Why isn't there transparency? Why wasn't there consultation with respect to the garage and the heat plant?

It seems like there was a lack of public engagement, so I'll ask the question again: Is the Department of Transportation and Infrastructure Renewal prepared to make the entire QEII plan public, and as it evolves, will you make those plans public as well?

JOHN O'CONNOR: The answer is yes, and the reason those pieces of the master plan aren't there yet is because they've only been created in the last few months. We've been working very closely with the groups that we have to work with, including HRM. We need some property from HRM to make this parkade work, so we've been working directly with senior staff at HRM for several months now - very openly - talking about the plans that we have.

The evolution of that parkade came about once we decided that Cancer Care services would also be moved from the VG to the Halifax Infirmary site. Once that decision was made - which was made for many, many good reasons, which my colleagues can elaborate on for health care services of the future - that filled up and used most of the property that we had on the QEII site.

Then we started looking at how we were going to deal with parking during the construction period. There are about 800 parking spaces that will be taken out of commission during the construction period. That has been a challenge that we have been addressing for the last number of months and looking at solutions. We're meeting with HRM on that as well, looking at options they may have for space in the area, proximity to the hospital. It has been work that has been developed over the last several months to find a location for those facilities that we couldn't fit on the QEII site itself.

I can explain in a lot more detail all the infrastructure that is planned for that site, but just to give you a sense - what we're going to be building on that site is about 1.5 million square feet of new building spaces. The Nova Centre, just for comparison, is about 1 million square feet. We're building large, large buildings on this site with lots of underground parking. It's going to be a very, very full site. Those two spaces, the parkade - we could not build it on the site. It would be in the way of all these new buildings, so it had to go somewhere else. The somewhere else that we're focused on now is across Summer Street next to the museum.

TIM HALMAN: When will the entire QEII plan be made public? What's the timeline?

JOHN O'CONNOR: I think the latest version of the master plan will go up probably in the next week or two. It's just a cleanup, and it will add these components. The version that is up does show the border plan. There are a number of versions up there. It takes a while to work through them. They're thousands of pages. It's very difficult for anybody to work their way through them. The border plan is shown.

What's not shown is this parkade because as I say, we have been creating that solution in the last while. Yes, they'll be up within a couple of weeks. I think we did send out information yesterday showing the location of the parkade. We're willing to share that. The tender was put out yesterday as well. It has the information in that tender around the parkade location.

TIM HALMAN: No doubt TIR and Nova Scotia Lands are fully aware at this point of the level of frustration of some members of the public. No doubt you're aware of the frustration of municipal leaders here in HRM. To your point, Mr. O'Connor, certainly we want to achieve the confidence of the public, but it appears that the manner in which you're putting out information regarding the largest capital project in the history of our province is causing a lot of frustration for folks throughout the province. I'm curious about what plans exist for TIR and Nova Scotia Lands to facilitate more public consultation. On some key areas, you have missed that target.

JOHN O'CONNOR: We feel that all the way through from the last five years, we have been keeping the public up to date on our plans to move services from the VG to the Halifax Infirmary site. We purchased the Queen Elizabeth High School back in 2010 or something along that line and we made it clearly known at that time that that was for the expansion of the Halifax Infirmary site. We bought that from Halifax Regional Municipality for those purposes. We also had the opportunity to buy the CBC building, and we did in 2017. Again, that allowed us more property and to make the decision to look at bringing cancer care to that site as well, which would not have been able to be done without the purchase of the CBC building.

We have been keeping the public informed of all of those decisions. We made public communications and announcements as those things happened along the way. As far as the parkade goes, as a civil servant, we took the approach where we were working with the senior people at HRM, as we were doing this. We met with them many times. There were no secrets there. We showed them our plans, showed them different options. We feel that our role is to work through that channel. We didn't go out to public meetings ourselves. If they wanted us to attend public meetings, we would be more than happy to attend public meetings to explain what we're doing.

TIM HALMAN: Am I correct in saying then, you'll be explaining to the public regarding the heat plant? I'm curious when the government was going to tell the public about the new heat plant because this has just been revealed in the last few days to the surprise of a great many.

JOHN O'CONNOR: The central plant, we call it, includes more than heating; it's a power plant, too. It has all the generators for the site so it's a combined plant that can feed all the new buildings. It's for heating, cooling, chillers, power, generators; the whole business.

Given that we're moving through with a P3 model, this will be a stand-alone plant that will be built as part of the P3, managed by the P3 proponents as far as being responsible for the operation and maintenance of that plant as well as the new buildings. That plant is shown on the master plans that are up on the website that we put up in October 2018.

The fine tuning of that central plant, we've been working on lately as we've been fine tuning exactly what's going in it, shaping it up, starting to evolve the design just like

we are with the buildings. All of that is leading toward a product we're going to produce to put out with the RFP for the P3 procurement of all of these facilities in March/April of 2020. All that detail then will go out to those bidders and they will be preparing their bids over the next year to design, build, and maintain all of that new infrastructure - including the central plant.

TIM HALMAN: Will this heating plant also provide incineration for medical waste?

JOHN O'CONNOR: No, it will not.

TIM HALMAN: You'd mentioned the tender - my understanding is bidders have until March 5th. What are the specifics of that tender? How do you score applications?

JOHN O'CONNOR: I assume you're referring to the parkade tender? That tender that was put out yesterday is a design-build tender. We prepared parameters that are in the tender call around the size, some of the technical parameters around what we expect the design-builder to produce. The design-builders now will do work on it themselves during the bid period, and then they'll send in proposals.

Those proposals will be scored, and I don't know first-hand exactly what the weighting is of the scoring, but we'll be scoring their design and their submission that way as well as their pricing; it's likely all laid out in the tender documents. Then we make a decision and then they have to advance the design even further and build that building as part of a lump sum price.

TIM HALMAN: On the point of the parkade, if you require more space to build the parking, has TIR considered higher buildings with parking in them on Robie where Queen Elizabeth High School used to be?

JOHN O'CONNOR: What I was trying to refer to earlier is that on the QEII site, which includes that property that you're referring to along Robie Street, all of that site is being filled up with these new buildings. We have three major new buildings and a link building called the Research and Innovation building, but these new buildings go up in that area where the urban farm was - that's where the new cancer building is going.

The cancer building is a large building. Again, it would be nice to have some models and pictures to show you, but it's a large building. Where the parkade is - it's at least 10, maybe 11 stories above ground, three stories underground. We're going underground completely all the way from the Veterans Building to the corner of the Willow Tree, where those buildings are going. Under those buildings will be complete three levels of parkade under them.

We're maximizing as much parking under the buildings as we can and under the ambulatory building that's going up next to where the CBC is. The site is pretty well

completely filled up. There's a small area between them where we're going to have some surface parking, as well - not very many, maybe 25 or 35 vehicles. Other than that, the sites are filled up with buildings.

[9:30 a.m.]

To go deeper underground - we're already at three levels in bedrock on that site. We're at a high water table; there were streams that ran through that site over time. Even when we built the Infirmary, which is not as deep as we're going now, there were huge pumps underneath the Infirmary pumping water out regularly. There's a high water table and we're in pyritic slate. The pyritic slate can't be disposed of just anywhere, so it's very costly to go deeper. We're already going very high. The ambulatory building is 13 stories above ground and the Infirmary is eight, so quite large.

TIM HALMAN: As you know, there are indications from the Halifax Wanderers and Bengal Lancers - they're very concerned about the impacts that this proposed garage will have on their operations. Again, Mr. O'Connor, as you indicated, it's about earning the confidence of the public and that can only be achieved working collaboratively with organizations and groups. Is the government willing to make changes if and when these impacts fully come to light for these organizations?

JOHN O'CONNOR: Yes, we are willing to work with our neighbours and we always have been in that area as we're doing the planning. The good news is that we were able to get the rest of the land that we needed from the QE high school and the CBC. That allowed us to work within those boundaries without affecting any neighbouring properties.

As far dealing with the parkade and the water plant, we're working through HRM. Yes, we're more than willing to meet with any of the organizations, including the Bengal Lancers. Our deputy minister has been very focused on us doing that. We would like to do that, but we have been working through HRM, which we thought was the proper channel for us to work through. We don't have a direct connection with the Bengal Lancers ourselves, so we've taken that approach to work through HRM. If they wish for us to meet with the Bengal Lancers, we're more than willing to do that.

We're trying to respect their operation - their paddock. We may have to shift their paddock around a bit, but our current plan is to make it as big as the current paddock is. We created that paddock a number of years ago when we built Citadel High School. It was across the street where Citadel High School is. The province helped out, gave land back then to help create that paddock where it is today. We value the Bengal Lancers, we have no reason to be pushing their spaces away from them. We're just trying to twist it and turn it a bit so they can have the same space they have today and we can fit the parkade in as well.

TIM HALMAN: Obviously, those groups aren't feeling valued. They're not feeling as though they've been consulted and for all intents and purposes - from what I've read

through reputable news outlets - is that they haven't been consulted. Again, Mr. O'Connor and to the department, if you want to earn the confidence of the public, these things need to happen.

Let me ask this: If the municipality does not sell the land, will the province be expropriating the land?

JOHN O'CONNOR: Well, that won't be my decision. I think I've committed to government, informed government about our plans. They approved our plans to move forward this parkade. They are aware that we're working with HRM on this land purchase. We're asking HRM for a licence to allow us to start building on that property. If we do not get approval from HRM Council, then I will report back to government and then government will make a decision.

TIM HALMAN: Mr. O'Connor, who would you report back to in government? Within government, who would make the decision to expropriate the land if it came to that?

JOHN O'CONNOR: My understanding is that it's the decision of Cabinet.

TIM HALMAN: I'm curious why you've issued a tender for a parkade for land where the transaction between the province and the municipality hasn't occurred yet. It seems like you're putting the cart ahead of the horse. Could you clarify for Nova Scotians why a tender has gone out, but there has been no transaction between the province and the municipality? Could you clarify that, please?

JOHN O'CONNOR: I can clarify the discussions we have been having with HRM. We made it very clear to HRM months and months ago what we are considering for plans in that area. We have a number of asks to them, which we were very open with and described to them what we would be asking for. We also have shown them language that we wanted to put into the tender call, and we have circulated that language back and forth between us and them. That would clearly disclose to these bidders that a portion of this land is still owned by HRM, and that the province is pursuing to acquire that land. We have been clear on that.

As far as the timing goes, we have to get a location for 800 vehicles before we take down the parkade on Robie Street. If we don't get this parkade built, we can't take down the other parkade. If we don't take down the other parkade, we can't build the new buildings that we're hoping to start construction on in the Spring/Summer of 2021. That's the timing. We only have a year and a bit to find a solution for 800 vehicles for five years during construction.

THE CHAIR: The time for the PC caucus in this first round has expired. We'll go now to the NDP caucus for 20 minutes. Ms. Leblanc.

SUSAN LEBLANC: Thank you very much for being here everyone. I'm going to just start by saying, as I always try to do, that I'm excited about a new hospital being built. I'm just putting that out there. It's exciting. It's going to be great.

That being said, I want to pick up on a couple of things, Mr. O'Connor, you said in your opening remarks - which my colleague has also addressed a little bit - that a project of this scope and size and importance to the public has to have the confidence of the public. It has to have contracts which are well-managed, and it has to be transparent. It will be transparent - I think that's what you said in your opening remarks.

I want to pick up on the transparency part for a moment. All of these things that you have just talked about - all of the plans of the new building sound fantastic, as I have said. It's exciting to imagine that completed project. Where I want to go in my comments and questions right now is about the decisions that are not related to the concepts that you have been speaking about - which building where and all that stuff. It's about the decision - and I know you know what I'm going to say right now - related to the Deloitte report, which triggered the government to decide to make this a P3 project.

In terms of transparency, the department still refuses to release the Deloitte report that supposedly contains the justification for a P3 project, and it makes it difficult for anybody to understand exactly what the evidence has been that has been gathered around that would contradict the vast policy consensus. We have seen reports from all over the world and all over the country that P3s are actually a bad deal for the public. In a briefing note from 2005 that the then Deputy Minister of Health and Wellness, now Deputy Minister of TIR, who is with us today, said:

“It is difficult to find examples of successful P3s where there are no criticisms. In audits by provincial auditors general it's been discovered that:

- Nova Scotia:

Roads: An estimated more than \$300 million in tolls were produced on the Cobequid Pass for a deal in which private financiers put up \$66 million. The government is paying an effective interest rate of 10% for 30 years, twice its rate of borrowing.

Schools: The Dept of Education was criticized for its lack of effective oversight and management of contracts.

DHW: In numerous audits, DHW has been criticized by the Auditor General for its challenges in providing effective oversight and holding entities accountable.”

That was in a briefing note written by Mr. LaFleche in 2015. Here we are, I guess it was 2018 or 2019 when the public was informed that this billion-dollar project was going to be a P3 project. We want to know why.

JOHN O'CONNOR: Mr. Porter will take that question.

GARY PORTER: There was a lot in there that you spoke about. Perhaps I'll start with the process we went through and how we arrived at a recommendation to pursue a P3 and some of the elements that led to that. We hired Deloitte in July 2017. The scope of work at that time was for Deloitte to conduct a number of pieces of work for us, ultimately leading to the preparation of the business case.

Importantly, we wanted to understand a few things. First of all, we wanted to understand what lessons have been learned in other jurisdictions both in the country and across the world in terms of their success and lessons learned from their P3 experience. We called that the objectivity analysis. They focused a lot on Auditor General findings from previous P3s, results that were obtained through the procurement exercises and those. Just for comparative purposes, we look at Ontario alone in health care. I think over the last 15 years, they have done over 50 P3 procurement processes, and they would say that they were successful. That was one piece.

The second piece was that we needed to really understand what our capabilities had to be in order to undertake projects of the size that they are. That was really agnostic to the procurement model. We asked Deloitte to look at that from the lens of the size of the projects themselves, but also inform us of what differences we would have to build capabilities in a P3 context as well as in a traditional model, just given the size and order of magnitude.

The third piece of work was what was called master planning alignment. When we do our design work, in a traditional design process, we take that right to the end in terms of 100 per cent design detail. In a P3 you take it so far, and you describe your requirements both in a narrative and in a schematic form. Then the market actually takes that design and improves upon it if they can. We needed to understand how we needed to meet those requirements if we went to market with a P3.

Last is the business case itself. The business case was developed through a qualitative assessment. The qualitative assessment portion was to narrow down what exact P3 models we were going to compare to our traditional approach. From there it led to a quantitative analysis, so comparing how we would perform in a traditional approach to a P3 approach. There were a few items that were important to note through that process.

We also needed to understand whether the market had interest in these projects in a P3 sense. There was a lot of consultation with constructors, with financiers, and with facility management firms to see what their level of interest was if we moved forward with these projects.

All of that work together led to a recommendation to proceed with a P3 model. The measure which informed that is what's called value for money. In value for money, you compare doing it in a traditional way - which for us is construction management as an agent. In that model, you contract separately for design, you contract separately for construction, and you contract separately over time for building maintenance items like replacements for roofs and major building components. In the traditional model, we would finance through traditional public sector means. In comparison, in a P3 model, the model we arrived at is what's called a design-build-finance-maintain. In that model, we're contracting for all of those pieces together in one contract.

When comparing the two - and we did this importantly with evidence. When we looked at our current practice, we examined over 30 projects that we would have done in the past and measured our success on project schedule completion, measured our success on being on budget, measured our success in terms of the facilities that we have in place today and what state of repair those facilities are in as a means to compare to transferring that risk to a public sector partner.

In the analysis, in the conclusion that in comparing the two models, there is a positive value for money in proceeding with the P3.

SUSAN LEBLANC: Thank you for that detailed answer. So then, the question is, if it's all there on paper, why can we not see the report? We want to see the report. Can you table the report for us today?

GARY PORTER: This question was asked last year - I think February 28th in the same setting. The business case itself includes some important information around the costing around the project. That's not information that we want to put out into the market because we feel it will interfere with the competitive bidding process that will take place during the procurement itself. We're not going to release information on the costing when we want to maximize competition from the bidders on the project to achieve better than those results.

[9:45 p.m.]

I can say, however, there is a point in time where it will be important for us to release those and that information will update our value for money after the costs are locked in from the procurement process as well as the financing rates are fixed, so that's after financial close. Then we'll publish a comparison between our business case and what we actually achieve through the procurement exercise.

SUSAN LEBLANC: Look, I don't want to know what the business case numbers are. We just want to know the value for money comparison. I think it seems to me frankly ludicrous that you will boldly publish this report with updated numbers after RFPs have been put out and presumably, contracts are signed.

I just feel that with this amount of money and the published risks and the understood risks of P3 projects - I don't want to beat a dead horse here because clearly you're not going to change your mind based on little old my question, but it seems amazing to me that the public of Nova Scotia does not understand or get a full picture of where their money is in such a huge project.

I also will just flag that Deloitte, who you engaged for this study, is a firm that is known for working on P3 projects and promoting P3 projects for public infrastructure. In these recommendations - I'll just put it out there - presumably there could be a low bar. It's not as though the recommendations came unsolicited from a group that was skeptical about the efficiency or cost effectiveness of P3 contracts. They came from the same group of people who advised you to pursue the P3 deal. Any comment on that?

GARY PORTER: I'm sorry, can you narrow the question down?

SUSAN LEBLANC: Presumably, Deloitte is a company and an organization that has worked on many P3 projects and is a booster of P3 projects. To get advice and to ask Deloitte to do the analysis of whether or not the project should be a traditional project or a P3 project seems maybe not the most objective look at that choice. I'm wondering if you can comment on how that is okay.

GARY PORTER: Sure. There's a few things that give us comfort with the work that Deloitte has done. Number one, as I mentioned, the comparative analysis was based on empirical data so it's real information on our track record around our traditional approach as compared to a P3 model.

The other thing we did, just to perform some additional due diligence, we formed a relationship with Infrastructure Ontario early on in the process. Infrastructure Ontario is the organization that leads all P3 processes on behalf of the Province of Ontario. The Deloitte methodology closely followed methodology that they use. It also closely follows methodology that's outlined by CCPPP.

Combined with the methodology, and the fact that we base the work on empirical evidence that allowed us to accurately compare the two models, it gave us comfort that it was an unbiased and objective approach.

SUSAN LEBLANC: I just want to change tack a little bit and go back to the Auditor General's Report. In Mr. O'Connor's opening comments, you did talk about some of the work that has been done around the fraud risk which was a good chunk of the concerns of the Auditor General with this project.

I'm wondering if you could just give us a little more detail on what's happened. When we heard from the Auditor General in December, at that time only 11 per cent of all TIR staff had completed the fraud risk training. I'd love to know, in terms of the full department, what percentage it is at now.

If you could just expand on exactly what is happening in terms of fraud risk mitigation; who's in place? What is the work going on, and in particular with projects of this scale? For instance, especially when we're looking at a P3 model where the money is going to be managed, and the project in general is going to be managed by somebody else - how is the department going to make sure that fraud is significantly managed?

JOHN O'CONNOR: I'll start and have Gary address some of the measures that are built into the P3 procurement process around fraud mitigation. With respect to the first part, the departmental standings with respect to the fraud training for employees, I don't have a current number. Paul LaFleche may be able to bring that number up. Do you want to do that, Paul?

PAUL LAFLECHE: First of all, I just want to point out that the document handed out that people think is attributed to me writing it - do you think I wrote this document?

THE CHAIR: It was presented and just passed out for information purposes.

PAUL LAFLECHE: I don't know anything about the document. I don't think I wrote it. I think a past Deputy Minister of Health and Wellness wrote it - could that be? Does anybody know? I just want to clarify that I didn't write the document because people are saying I wrote it.

THE CHAIR: Again, this is just information that was presented.

THE CHAIR: Mr. LaFleche, your microphone is not on. I should have noticed that, I'm sorry.

PAUL LAFLECHE: I was saying, I think the health division, as John O'Connor indicated earlier, is at 100 per cent in terms of fraud training, and TIR is in the low 60s and it's going up every day. The major thing that impacted our number, and why it showed at 11 per cent when the Auditor General did his report is that the Winter operators don't get in until the first week of December, as many of the MLAs would know. The percentage is all about a numerator and a denominator, which means how many you have trained versus how many you have on staff.

We have about 1,800 people on the CUPE staff listed, including back-up spares, et cetera. A lot of those people, it wouldn't be a judicious use of taxpayers' money to have called them in the Summer and trained them. Also, it became apparent that the method of training, which was based for an office environment was not adequate for some of our seasonal operators.

We worked hard with Internal Audit and they developed a different training option for Winter operators. I'm happy to say that 900 Winter operators were trained in the first week of December when they come to work normally. That caused a big discrepancy in our early number because the seasonality of the employment and the type of training - the

manner in which it was provided - were not really amenable to getting these people trained in the Summer.

It was just a temporary phase gap. Those people were not on staff anyway at the time. We are what would be now around the government average in terms of TIR and climbing every day.

SUSAN LEBLANC: Thank you for that explanation. I just want to clarify - that means basically chalking it up to Winter operators. I'm asking this honestly - does that mean that 89 per cent of the employees and the staff in the Department of Transportation and Infrastructure Renewal are seasonal workers?

PAUL LAFLECHE: No, when I transferred the Agricultural College years ago to Dalhousie, we thought we were transferring 250 employees and we ended up transferring 550 because at the end of the day, they counted things like someone who does two hours of residence coordination every week.

We've got a lot of backup spare operators and they were in the denominator of that number. They may not even get called in once in a whole Winter. One of them is a former Minister of Transportation and Public Works. All of those people stack the denominator of the number and they're not really probably relevant to the training, so that's why the number looks so big, artificially.

THE CHAIR: Before we move on, we lost a minute on unrelated topics so I'm going to give the NDP an extra minute. Mr. O'Connor.

JOHN O'CONNOR: I want to just start off with a general comment about fraud risk and fraud mitigation measures. This project, as you might gather from all of our discussion, started quite a few years ago and many contracts have already been in place for Dartmouth General - for design-construction. I think we had 40 or 50 contracts at Dartmouth General, for example.

The reason I'm mentioning that is that TIR is set up for infrastructure projects. We have a lot of measures within the processes embedded in TIR for paying bills, approving change orders, approving progress bills, the actual setting up of vendors on SAP, the tendering policy, and so on.

When we started off delivering parts of the QEII project, we treated them in TIR the way we treat all projects in TIR. We didn't set out and say, okay, these are completely different and therefore we need to do something completely different with respect to fraud risk and fraud risk mitigation measures. That's how we started the process with the QEII contracting.

When we got to the P3 procurements, we knew it was different. TIR does not have well-embedded processes for P3 procurement, but that's when we focused on that

particular procurement. We brought on advisors, used the help of Infrastructure Ontario and their templates, and embedded a lot of processes in the P3 procurement that are specially focused around the P3 procurement. Gary is able to expand on that, if you wish.

THE CHAIR: The time for the NDP caucus is expired. You got even a little bit more than that minute.

We'll go now to 20 minutes to the Liberal caucus. Mr. Jessome.

BEN JESSOME: Obviously today we have an opportunity to focus on an important subject. I've been sitting here for 40 minutes now and, with the exception of probably about five minutes, I don't believe we've done anything except stray from today's topic. In fact, we have the opportunity to receive phase two of the Auditor General's audit related to P3 models and services in these facilities. That's all we've spoken about and I appreciate the honourable member for the NDP bringing us back to the topic at hand.

Today we're here to talk about what went into establishing the governance structure for this project and the process whereby we selected the consultants. I appreciate the consideration that was given to give the honourable member additional time for straying off topic but, respectfully, we've received briefings from the Auditor General, we've been pretty clear on what the topic at hand was for today and I don't believe that we've focused on that. I'm going to make an effort to bring us back here.

THE CHAIR: Mr. Jessome, while you're looking for your questions, I'm going to say that a lot of the discussion that took place prior to your speaking was about items that were in the Auditor General's Report that were brought forward. That's what we are doing as Public Accounts, discussing the report of the Auditor General. I just want to make that clear.

BEN JESSOME: As we've suggested, phase two is coming this Spring and that component will reflect on decisions around P3 models and the services in each of these facilities. That's my humble opinion about how we can move forward here.

[10:00 a.m.]

Mr. O'Connor, you've had some significant past experience with respect to major projects, in fact, related to health care in a number of instances. I'm wondering if you can shed some light in order to inflict some confidence to the public around the process that you go through at your department to establish a quality governance structure to assure the proper carrying out of a major project like this.

JOHN O'CONNOR: As I mentioned a couple of times, the QEII New Generation project started a number of years ago and is primarily managed within TIR like large capital projects are, with a client group and other government departments. The client group in this case is the Nova Scotia Health Authority. We formed early relationships with the

Health Authority to have project oversight. There are numerous committee structures that have been put in place at the highest levels to provide oversight on these projects like they would on any major project.

Even for smaller projects, we follow a very similar model. There is always an oversight, there's a user group, there's a department like TIR that's project managing and helps deliver projects. We don't deliver projects for TIR - we're delivering projects for the Department of Justice, the Department of Education and Early Childhood Development, the Department of Health and Wellness, and so on.

It's a similar model; Dartmouth General proceeded in the same way. As Gary mentioned, when we started to focus on the large pieces of the QEII project - the very large components, which I mentioned earlier like the expansion of the Halifax Infirmary in particular - it's major. It's much larger than anything that we have managed through TIR for many years, even though I was involved in the original Halifax Infirmary, which is 800,000 square feet. It was a long time ago. It didn't cost nearly as much way back then, but it's still a large project. I was involved in the Nova Centre project - the Halifax Convention Centre. They're very large projects.

What we said was, we can't just layer this project on top of TIR. If we just took this project and put it on top of TIR without really focusing on success and how we can deliver it, it wouldn't work. But we had in place an oversight committee so the deputy minister, CEO - this oversight committee, which has been referred to in the Auditor General's Report, has been in place since probably 2016. Many other very senior oversight groups, including Dr. Kirkpatrick and Paula Bond - we've been working together for many years.

Paula and I co-chair and lead many senior committees on this project. We meet every second week and we have for probably five or six years now - managing our way through this project. We have a large group every second Thursday afternoon, which includes communications folks, medical leaders, senior folks within the Health Authority, the Department of Health and Wellness, the Department of Finance and Treasury Board, the Department of Internal Services, procurement - all of those folks, to keep everybody on the same wave length and keep everybody informed. We've been doing that for four or five years. We had many, many committee structures in place.

We had Deloitte examine all of that. They mapped out our current state and then they said they had recommendations for enhancing that for a future state. So if you're going to try to take this on - they recommended bringing it together as an integrated team, have a certain leadership structure, have certain streams of work laid out - the technical streams, clinical streams, the procurement streams. We did that. We've been following that and moving through, progressing in that manner.

We created the division under a Crown corporation - Nova Scotia Lands, which is a Crown of TIR to focus particularly on these projects. It didn't change for me. My focus is still on these projects. When I was at TIR, when I was at Nova Scotia Lands, it gives us

the ability to bring people together. We brought over - I forget how many, 70 or 80 people under one roof in the Centennial Building on Granville Street to try to really build the integrated team and to improve on the collaboration and consultation amongst all the team members.

Even with the deputy minister, the oversight committee, which we called our executive oversight committee - Paul and I report to that committee every month and we have been since 2016. There's lots of communication happening back and forth about oversight. We feel we have good structure in place. We've been adding resources since the project was approved by government and announced in October 2018.

We've added about 37 people to the organization which is no easy feat when you're looking for specialized people. There is a lot of recruitment activity, some with the Health Authority, some with the technical end, and some with the procurement streams. We have a group now that's approximately 90 people, including the Cape Breton projects as well. We have some more folks we need to add as well as we move into contract management.

Once we enter into a contract, which will be this Spring for Bayers Lake, we're preparing now to manage that contract. We have built RACI charts to identify all the roles and responsibilities of the proponent on our side. We're identifying who's going to provide all of those roles, how we're going to do it, and resourcing up for it.

We are planning just like we would in TIR or anywhere else, other than it's focused and specialized for these projects which gives us the ability to really dedicate those resources appropriately and give the project the focus it really needs, because it is so large and long in duration.

BEN JESSOME: It would be clear to me that there's continuous considerable and appropriate due diligence that has been implemented over the last several years on this project in particular. I appreciate you sharing a little bit more about your experience with respect to that.

I guess on the subject of the human resources that will be responsible for some of this project, the AG's Report reflected on a number of positions being vacant at the time of the audit. You've indicated that, I believe, all but two of these 49 positions have been hired. You also indicated that some of the positions that had been hired successively may not have been required at the beginning of the project and some of the resources required later are not being hired because you don't want to get people started before they're required.

I'm wondering if you can share with the committee today an example of some of the upfront staff and responsibilities that would be required and perhaps some examples of those positions that are left vacant to be hired at a future date.

JOHN O'CONNOR: Up until about October 2018 when the larger portions of the QEII project - I keep referring to the larger portions because the QEII project has been under way for a number of years prior to that. During the years of 2016, 2017 and 2018, a lot of the resources that we and the Health Authority had were focused on the master planning work.

Of course, what I'd failed to mention earlier is that together with the resources that we have, we have brought on expert resources from the private sector. Kasian group who led the master planning work for us and a team of specialized consultants under Kasian worked through, with us, on the master planning which took that period of two and a half years. A lot of our resources were involved in those meetings and all of the work to create the master plan.

Alongside of that, we had Dartmouth General under way. We started construction at Dartmouth General so a number of the resources of that 80 or 90 I'm mentioning are focused on Dartmouth General. They're currently focused on first of all the planning of Dartmouth General, then the construction and design phases - design phase first.

Now we're equipping the building. We have been equipping it for a while. A number of those resources are focused on buying that equipment, getting it in place. There are other folks involved in the transition as we move from being a construction site to a functioning hospital - which we did just before Christmas and now the Dartmouth General addition is fully up and operational. There are people involved in those transitions, managing that.

A lot of the resources will shift around, so as Paula and others and I will work through with our senior leadership that we have on the project to look at redeploying resources as projects like Dartmouth General wind down and there is less planning and less work in design reviews, those same people will provide those design reviews for the P3 projects. They're also working right now on the planning work that's going into our RFP document that we're going to be putting out in March or April 2020.

It's a matter of looking at what resources we have. We have a fixed budget. We're very conscious of the costs. We have contracts with the private sector, but in some cases we're looking at bringing in in-house resources, spend a little less on private sector resources. We're looking at places where we can do that as opposed to contracting out. We're trying to strike those balances, just like we would through government operations overall, just like we do at TIR regularly. We outsource an enormous amount of work, design and construction and, as Gary mentioned, maintenance as well. That's how we're looking at it.

In the future, as we award the contract for Bayers Lake and get that work started, as I mentioned earlier, we mapped out all of the tasks that we have to perform during that three-year period, from drawing reviews to sitting on various work committees and so on.

Then we're trying to identify who we're going to get to do that - do we already have people to do that or do we need to do a new hire? That's a continuous process as things evolve.

Then we're also looking ahead to a steady state. We're saying when these contracts get finished, we reach substantial completion, there are 30 years of contract management. We're focused on that as well. We don't have all that figured out yet and we don't know exactly how that's going to happen, but it's on our radar. It's on the deputy minister/CEO oversight committee's radar. We know it's very important, based on the P3 schools and other P3 projects. The 30-year contract management cannot be overlooked and it's really important to get those decisions made and in place. We have a little time yet.

So we are thinking ahead. We're looking at resources and that's the way we've been managing, but it's a team of people that are doing it. The senior leadership team meets every Wednesday - shortly when I leave here. Every Wednesday we meet as a senior team on this project.

THE CHAIR: Ms. Miller.

HON. MARGARET MILLER: Thank you so much for being here. This has been great, hearing all this information.

I want to address a couple of things. The PCs have talked a lot about secrecy as if there is something going on that government is trying to hide in this project. Certainly, I think you've shown everything is on the website. You made a commitment to continue transparency. It doesn't even seem like a fair question because you've put everything on the line and told us what you plan to do in the future, so I really appreciate that.

I know you must find that questioning quite frustrating and I just want to tell you how proud I am as a government that this is coming forward now and we're going to see real concrete action as we already have seen in the province already. Also, I want to tell you how much faith we do have in your management skills - your team's management skills. I think you've been proving beyond a doubt that this is going to be a project that's going to move forward, that has been sitting on the back burner through many governments and now it's coming forward. I just want to let you know how much we do appreciate that, and Nova Scotians will certainly appreciate that as well.

I did want to ask about the Cancer Centre being moved. You mentioned that you could elaborate on that a little bit more as to why that has been moved.

[10:15 a.m.]

DR. DAVID KIRKPATRICK: The original plan had the Cancer Centre remaining at the VG site in the Dickson Building. A number of presentations were made after the original plan was made to leave it there, by the leaders of cancer care in Nova Scotia. They made a very compelling case that there were some patient safety risks associated with

leaving those services in a different site. Also, there's the inconvenience to patients having to move back and forth down Summer Street to go from in-patient facilities at the new Halifax Infirmary and then receive maybe daily radiotherapy treatments at the Dickson site.

In the end, a very compelling case was made that if it could be co-located and if the costs were not significantly different, why not do it? That was basically the basics behind the decision to go there.

MARGARET MILLER: Certainly it does seem to make sense, doesn't it? I also want to ask - I know that there has been a lot of physician input into this redevelopment. Can you tell me how physicians are feeling at this point about the plan? I assume that they're fairly aware of what's going on too. What is the feeling in the profession?

DAVID KIRKPATRICK: I think all of the practitioners who are based at the QEII are actually quite excited about the future. In the beginning, when we were developing the functional plan, there was heavy involvement because physicians were being consulted in every specialty in every discipline for their input. That is the process by which you're trying to figure out what's going to occur in this new facility: what are we currently doing, what is the inventory of resources and personnel, and putting that package together. There is a lot of input there from physicians.

We're in a different stage now where we're trying to create the output specifications to inform the project companies that might bid on the project. There are smaller groups that include clinicians who are involved in the area of concern. For example, there's a perioperative project committee that's informing the output specifications, and it includes clinicians and surgeons who will work in the finished facility. They are working in conjunction with OR managers and other people who are involved in operative administration, who are involved in that process.

The average rank-and-file individual who is not involved in these committees needs to be updated on a regular basis. For example, in my department, which has 100 surgeons, our executive medical director Alex Mitchell gave a presentation just two weeks ago to update everybody on where we are in the project, and it was well appreciated. He's doing that. He's going around making presentations to various clinical groups to inform them where we are now.

MARGARET MILLER: Talking about P3s and the Truro Hospital, the Auditor General has been talking about that. Is that why the Auditor General was brought in, because Truro was so mismanaged by the NDP?

JOHN O'CONNOR: This particular work by the Auditor General - we spoke with the Auditor General's Office, and we welcomed them to come in early on the QEII project. Given that it's such a large project, large expenditure - again, we wanted to make sure we examined how we have set ourselves up, examined the governance, examined how we're

achieving the recommendations that Deloitte brought forward. There are three additional streams that the Auditor General is examining that have already been referred to. They will come out in their Spring report.

I think we felt it was important as well, and the Auditor General's Office I believe felt it was important. The exact reasons for the focus and whether it's connected to Truro Hospital, I'm not sure. We welcomed it, and it's a large project, and I think it will benefit us overall. Some of the measures that we are focused on now around the fraud risk assessment audit, that came about by our back and forth consultation with the Auditor General's Office.

We spent almost a year working together as we gave them documents and gave them information on what we're doing and where we're at with things. Their observations were shared openly with us. We built a good relationship during that time to try to identify where we can make improvements and where we had some issues that maybe we should address around the fraud audits. We welcomed their input and we will be moving ahead in those areas and making improvements.

THE CHAIR: Mr. Atherton.

ANDREW ATHERTON: I just wanted to clarify that while we can be asked to come and do audits, in this case this was our decision. We were not brought in by the government or by the department to look at this, it was our office that elected to do this. I just wanted to clarify that.

THE CHAIR: Okay, thank you. The time for the Liberal questioning is up. We'll go with the second round and it's just going to be six minutes for each caucus.

We'll begin with Mr. Halman.

TIM HALMAN: Just when you think you have all the answers, I change the questions. You know why? Because we live in a free and fair democratic society.

The topic before Public Accounts Committee today is the QEII rebuild and I can ask whatever question I want on the QEII rebuild. To suggest that certain types of questions are inappropriate is a certain height of arrogance that I think is completely unacceptable to the democratic system in Nova Scotia and in Canada.

It is a foundation of democracy to be able to ask tough questions. We get better public policy by asking tough questions, so I caution my Liberal colleagues, be careful the path you go down with that attitude. This committee is meant to ask the tough questions.

Mr. O'Connor, when did TIR provide a site plan and a detailed request for the land you wish to purchase from HRM?

JOHN O'CONNOR: When will we provide it?

TIM HALMAN: When did you provide a site plan and a detailed request for the land you wish to purchase from HRM?

JOHN O'CONNOR: Officially, we wrote a letter, I think January 6th. Prior to that, we had a letter before Christmas responding to questions. We had numerous meetings leading up to that where they asked us for information. For example, there's an MOU that's in place between HRM and what was originally Capital Health, and we were aware of that MOU right from the very beginning of our planning.

Kasian, our planning team, are well aware of the MOU. We met with HRM many times over the planning phases to talk about the MOU. They wanted us to file a document before Christmas to identify, clause by clause, how we've addressed the MOU in preparation for them to go to Council with a full package of information about our request. We've been talking to them about our request and we did appraisals on the land, as well, in the Fall.

Then we had the formal letter that our property group at TIR sent in early January. The letter that either Deputy LaFleche or myself sent - I can't remember who signed it - in December where we responded back on the MOU. In that letter we also asked informally if we could have a licence so that we could deal with the actual land acquisition later.

We'd get a licence, let the design-build tender go out, and we'd fine tune the actual property so that we don't buy any more land than we need. We were willing to give them back some land to help extend the paddock. We have additional lands that the province owns in behind the museum, so all in all we were trying to massage the amount of land that really is needed and buy no more than we need to buy - take no more than we need to take - to build the garage.

We also have a strip of land along Bell Road that HRM wants as well to widen out and make bike paths and walkways along Bell Road. We are accommodating that; it was part of what was in the MOU. That land, as well, would be part of the mix about what we buy and what we give each other. We thought we'd better settle that once all the finer details are settled, then we start off with a licence.

TIM HALMAN: In my time as an MLA, I've come to respect HRM staff. I see them as competent. I find it hard to believe that they would miss the mark on the parkade. It begs the question: What approach within TIR has led to such obvious miscommunication and lack of meaningful public consultation and engagement on this issue of the parkade?

JOHN O'CONNOR: I can't really speak to what may happen and how HRM briefed beyond our meetings with them. We work at senior levels. I work as a senior person in the provincial government. We work with our counterparts. We share information. They've asked us for information, we provide information. We've been meeting with them

quite regularly. We have offered through HRM staff to brief counsellors if requested and we'd be willing to do that, and we're still willing to do that.

Again, as a civil servant, my approach has been to work with the senior folks at HRM. Deputy LaFleche and I have met with them a number of times in the Fall just to talk about what we're thinking and what we're planning. We talked about the MOU, talked about the lands, talked about our options, talked about trying to buy the former St. Pat's site. We met with them a number of times. That was one of our options - to see if we could get the former St. Pat's site. That was not available for us. We were looking at options trying to find a solution and we were very open - at least we thought we were open.

THE CHAIR: The time for the PC caucus has expired. The NDP caucus is next - Ms. Chender.

CLAUDIA CHENDER: Since we are talking about the parkade, which I suggest is very germane to this project because, in my estimation, it is a carrot for a P3 proponent as part of the overall build and how the build is managed. Who will profit from the fees collected by the parkade?

JOHN O'CONNOR: This parkade that we're speaking about today is not part of the P3 procurement. It's a design-build tender that we're putting out. The parkade will be owned by the province. The parkade will be operated the same way as the parkade currently is on Robie Street with Partners for Care at this time, unless a decision is made differently in the future. There is no third party operator on the parkade.

CLAUDIA CHENDER: Thank you. We were told in the release yesterday that there was a parking study conducted, so we've been talking about the transparency. Will that be made public? I ask because the criticisms of this parkade are many. They stem from very meaningful local criticisms from the neighbours - specifically the Bengal Lancers, but also the Wanderers. You suggested it wasn't your place to negotiate with them.

You had been in conversation with HRM staff. My understanding is that those staff were bound by an NDA and were not, in fact, able to discuss that with anyone else. So as a result, those folks have not been consulted at all until that came out yesterday. That's my understanding. Will you release the parking study?

JOHN O'CONNOR: We have released the parking study. It is on the website. It has been there with all the versions of the master plan. It's incorporated in the master plan - a whole volume on traffic and all the traffic analysis that has been done. It also includes all the parking analysis work that's been done by the BA Group, which was a sub to Kasian. That's in the master planning work. Nothing is hidden in those numbers.

The total demand for parking at the HI site projected by the parking studies, which were arrived at from a number of different ways - which parking projections are created from usage and visits and so on - those numbers are there. It's 2,700 spaces. We currently

have a plan for 1,000 spaces underground under these new buildings. There are about 500 and some spaces remaining in the Veterans and the Abbie Lane, so this 800 would make 2,300. We're still going to be 400 short; we're planning to keep those at the VG for now until we can find some other solutions. We're trying to deal with the parking demand of the future. Again, as I mentioned earlier, 800 spaces will be taken out of commission for five years - where do they go? They have to go somewhere.

[10:30 a.m.]

CLAUDIA CHENDER: With respect, you mentioned that the building was going high on Robie Street but based on what I've heard, it's not going to max out the height allowance under the centre plan. While I'm sure it would be complex, I struggle to understand - with a lot of work, acknowledged - why those spaces couldn't be accommodated on the site.

As for the main argument I've heard which is temporary parking, to expropriate a large piece of common land - which is likely to happen - which is enjoyed by the public, for temporary parking while we build the hospital just does not seem like sufficient argument to me. As you mentioned, there are other options.

My final question is to the deputy. As we heard, ultimately if this land needs to be expropriated, that will be the decision of Executive Council, I think that's what we heard - certainly on your recommendation, deputy. Would you be prepared to recommend the expropriation of a large piece of HRM land, currently enjoyed for recreation purposes, for the purposes of parking that we think could be accommodated on the site? I ask that knowing I'll never know the real answer because it will be redacted if I FOI it, but I'm going to ask you now. I'm interested in your opinion.

THE CHAIR: Mr. LaFleche, if you could answer that in one minute, please.

PAUL LAFLECHE: Well, it's the lady behind me here on the wall that actually makes all the decisions - and the good looking guy with her.

No, I don't know that we're looking to expropriate any large piece of land currently enjoyed by the public. I think we're looking at expropriating a small piece of land and we're not actually looking at expropriating it. We're having a conversation with HRM. Expropriation was only raised by some of the members opposite. We haven't raised that at all. Expropriation is something we don't like to do - we rarely do it. We've done it for some twinned highway projects, but we rarely do it for buildings; I don't know if we've ever done it. That's not where we usually go.

We do have a meeting and we have several meetings, as Mr. O'Connor referred to, with HRM. We have one coming up where they're interested - again, the staff and the councillors are a different thing. What the councillors get from the staff, I don't know. With

the staff, we've been having good conversations and they are very amenable to working with us on a parking solution.

As for the Bengal Lancers, we have various options there and we'll be working with them to ensure that they have a ring. In fact, they came to us originally worried about several things. They would like to expand and we'd like to help them with that. Also they would like to ensure that there's no noise and construction that would affect the riding during the times of construction of the parkade and other things, so we'll be working with them on that.

I think we're having good relations with both the staff at HRM and the groups we will be affecting. Expropriation is something that was raised across the table - I don't know that we're anywhere near that and I haven't written any secret documents on it that you need to FOIPOP yet.

THE CHAIR: Thank you. The time for the NDP caucus questioning is expired. For the final six minutes, we'll go to the Liberal caucus. Mr. MacKay.

HUGH MACKAY: Mr. O'Connor, I would like to echo my colleague Ms. Miller's comments. Our government's very proud of the work being done by the people at TIR bringing this program to fruition. As has been mentioned, it has been quite a number of years in planning and to see it move forward now is very, very refreshing.

I think it's regretful that some of the colleagues here - my indignant Progressive Conservative colleague and perhaps some others - are putting political promotion here ahead of delivery of health care to Nova Scotians. We want to get this project moving forward. As the deputy has mentioned, we're not looking at expropriations here. We're trying to work with all levels of government to move this project forward as quickly as we possibly can in a responsible manner. I think that your comments today have demonstrated that this is a very fiscally, financially, well-managed project.

Since there has been this discussion on the parkade - I would say more so from the other colleagues here - I just want to clarify a few things. Mr. O'Connor, I understand that it's a small parcel of land that is being looked at for purchase from HRM. Is that correct?

JOHN O'CONNOR: We consider it a small parcel of land. Primarily, it's going to be built on the paved package lot that's the south side of the museum. The current planning with HRM has been to try to respect their interests as well getting into their maintenance facility. We obviously do not want to affect the Wanderers Grounds. We already discussed the paddock, and we think there are solutions there where we can move the paddock, twist it a bit towards the north, and run along Bell Road that way. That could still be a very useable paddock. We obviously have to have further discussions on that.

We're trying to find solutions. It is about half an acre, I believe - I can't recall exactly. Once we get to fine tune the building design, and some of the land we're talking

about will still be used by HRM as a roadway into their facility, so we may not buy that land. It may still remain as their land, it will serve as a roadway into the facility and serve as a roadway into the garage. We're trying to go into the garage in such a way that it's off the intersection of Jubilee Road - it's renamed now Veterans Way, I think. That makes for better traffic flow - and then exit the garage in a different location.

That's what we're working on together, some of the engineering principles about traffic and access and access to their property, trying to respect the Bengal Lancers, trying to keep the pathways - we have a nice walkway planned between the parkade and the museum - trying to keep some buffer away from the museum. We can pull it over tighter to the museum, maybe. We can look at some more options, but we're trying to keep that space there and a pathway through for folks to pass through that property. That's the current thinking.

We're arriving at those solutions, we think, together to benefit all. Again, it's like everything in planning - there's no one perfect solution, it's an evolution. I think we have arrived at a good solution. As I mentioned earlier, we do have to deal with parking, or we're going to be putting 800 cars out on the street, and that's not a good thing.

HUGH MACKAY: The Wanderers Grounds is a multi-use facility, of course. It's not just the Halifax Wanderers. It's very refreshing to know that TIR is working with the municipality in order to enhance rather than detract from the usage of the Wanderers Grounds. Also, to understand that the Bengal Lancers, who have such a great long-standing relationship with the province and the city have actually benefited from the province's largesse in the past and that all efforts are going to be made to enhance their property as well.

I would like to thank you very much for the planning that's going into this and the consideration for all neighbours.

THE CHAIR: The time for questions for the Liberal caucus has expired. Having completed the questions, we'll allow time for the witnesses to give closing remarks.

PAUL LAFLECHE: I would like to thank everybody for allowing us to be here today. It's timely in view of the tender that got out. I think we have cleared up some things. I hope that everyone will have faith that we're doing the best we can to build an excellent new facility for Nova Scotians. We want to build it efficiently and we want to build it as quickly as we can and get it operating and make sure that Nova Scotians can get improved health care.

Thank you very much; great questions. I do want to make just one comment. Earlier the Colchester Hospital was referred to, and I think I'd like to relieve the NDP of the blame of that. I'll take that myself with some of my former deputy colleagues and maybe the CEO of the Colchester Health Authority. I'll just remove that from the record.

THE CHAIR: Any further remarks from the committee? No? Okay.

Thank you very much to our presenters this morning and to all staff that are here and the input, as well, from the Auditor General's Office. We're going to move on with other committee business and we'll try to wrap this up as quickly as possible.

If you look under committee business, you'll see that we have numerous pieces of correspondence that have been received. One from the Department of Environment, one from Communities, Culture and Heritage, one from TIR, and one from Community Services. Everybody has that included in their package.

On December 18th, the subcommittee met and reached an agreement on a record of decision provided to members and it was necessary at that time to poll committee members. The decision was unanimously agreed to. That's on today's agenda, just simply to bring it forward.

There is no decision from today's subcommittee meeting, but there is one thing I'd like to stress as Chair to all committee members. There are times that we have to do polls that are out of the ordinary. Normally, we'll ask for approval of a meeting or something but sometimes we have to have an email poll that has to be unanimous by the committee.

In order to keep everything confidential, I'm going to ask that all members when they reply to an email that's received from the clerk, just reply to the clerk only - do not reply to all. I think that might eliminate any problems that might arise, but I think it would be a good suggestion for us all. It's very simple: just reply to the clerk because actually it's the clerk who sent the email out, so reply to Kim and I think everything will be okay.

Our next meeting is February 12th. There will be an in camera briefing at 8:30 a.m. and from 9:00 to 11:00 a.m. will be the Nova Scotia Health Authority on cybersecurity and fraud risks - the October 2019 Report of the Auditor General.

Is there any further business? I didn't expect it was going to be this smooth. I thought the closing remarks would be longer. Any further business to come before the committee?

Thank you all. We stand adjourned.

[The committee adjourned at 10:43 a.m.]