RE: Your request for access to information under Part II of the Access to Information and Protection of Privacy Act (Our File TW/015/2014)

On June 30, 2014, the Department of Transportation and Works received your request for access to the following records:

A copy of briefing notes, information notes, etc on the mental health and addiction facilities being built in the province, including a project update of each:

- Harbour Grace
- Grand Falls-Windsor
- Paradise

I am pleased to inform you that your request for access to this information has been granted in part. In particular, access is granted to the following records:

- Information Note, Suitability of the former School for the Deaf as a residential centre for youth with complex mental health needs, dated June 11, 2011.
- Information Note, Tender Results for Preliminary Work for Treatment Centres for Youth, dated September 22, 2011.
- Information Note, Tenders Results for the Youth Residential Treatment Centres, dated April 24, 2012.
- Order in Council dated May 23, 2012

In addition, the following provides an update on each facility:

- The Adult Addictions Centre in Harbour Grace is currently under construction by Anchorage Contracting and is scheduled to be completed by March 31, 2015, at a contract value of $4,056,000. The facility is expected to be in operation during the spring of 2015.
• The Youth Treatment Centre in Grand Falls-Windsor has been operational since June 2014. The facility was constructed by Bluebird Construction and completed on April 1, 2014 with a contract value of $10,985,000.

• The Youth Treatment Centre in Paradise is currently under construction by Eastern Contracting at a contract value of $10,750,000. The facility is expected to be completed by the end of July 2014 and operational by early fall 2014.

Access to the remaining records, has been refused in accordance with the following exceptions to disclosure, as specified in the Access to Information and Protection of Privacy Act (the Act):

   Cabinet Confidences
   Section 18(1)(a) In this section “cabinet record” means

   (v) an agenda, minute or other record of Cabinet recording deliberations or decisions of the Cabinet;

   (vi) a record used for or which reflects communications or discussions among ministers on matters relating to the making of government decisions or the formulation of government policy;

   (vii) a record created during the process of developing or preparing a submission for the Cabinet, or

   (ix) that portion of a record which contains information about the contents of a record within a class of information referred to in subparagraphs (i) to (viii);

Section 18(1)(c) In this section "official cabinet record" means a cabinet record referred to in paragraph (a) which has been prepared for and considered in a meeting of the Cabinet; and

Section 18(2) The head of a public body shall refuse to disclose to an applicant a Cabinet record, including

   (a) an official Cabinet record;

Further information/records relating to these facilities being built may exist with the Department of Health and Community Services. I suggest you contact them directly to request any records in their custody or under their control.

Section 43 of the Act provides that you may ask the Information and Privacy Commissioner to review this partial refusal of access or you may appeal the refusal to the Supreme Court Trial Division. A request to the Information and Privacy Commissioner shall be made in writing within 60 days of the date of this letter or within a longer period that may be allowed by the Commissioner.
The address and contact information of the Information and Privacy Commissioner is as follows:

Mr. Ed Ring, Commissioner  
Office of the Information and Privacy Commissioner  
2nd Floor, 34 Pippy Place  
P.O. Box 13004, Stn. A  
St. John's, NL  
A1B 3V8  
Telephone: (709) 729-6309  Facsimile: (709) 729-6500  
Email: commissioner@oipc.nl.ca

In the event that you choose to appeal to the Trial Division, you must do so within 30 days of the date of this letter. Section 60 of the Act sets out the process to be followed when filing such an appeal.

Please be advised that responsive records will be published following a 72 hour period after the response is sent electronically to you or five days in the case where records are mailed to you. It is the goal to have the responsive records posted to the Office of Public Engagement’s website within one business day following the applicable period of time. Please note that requests for personal information will not be posted online.

If you have any further questions, please feel free to contact the undersigned at 729-3676.

Sincerely,

BRENT MEADE  
Deputy Minister

Enclosure
Title: Tender Results for Preliminary Work for Treatment Centres for Youth.

Issue: To report on the tender results for preliminary site work contracts for the Paradise and Grand Falls Windsor Treatment Centres for Youth.

Background and Current Status:

- Amended the Provincial Infrastructure Strategy to include the Paradise Treatment Centre, at an approved budget of $8.3 million, and the Grand Falls Windsor Treatment Centre, at an approved budget of $9.5 million. Further directed the Department of Health and Community Services (HCS) to report back to Cabinet with tender results prior to awarding any contracts for the Treatment Centres for Youth.

- TW, after consultation with Cabinet Secretariat, notes while the intent of was with respect to the main building construction, this BN is supplied to report on the results of the public tender process.

- The Paradise Treatment Centre will be completed in two phases:
  - Phase 1 tenders for the demolition of the former Paradise Elementary School were received on August 11, 2011 (validity period expires October 9, 2011) with the following results:
    - Urban Contracting $344,000.00
    - Star Realty $348,756.00
    - Eastern Demolition $407,400.00
    - Eastern Contracting $450,000.00
    - Kelloway Construction $475,758.74
  - Phase 2, the main building construction, will be tendered later this fall.
  - The lowest compliant bid is 23.5% lower than the pre-tender estimate of $450,000. There was strong competitive bidding in this particular demolition project which was difficult to estimate.
  - HCS has committed to conduct a Public Information Session at the Town of Paradise. In order to provide the time required to prepare and deliver this, it may be necessary for TW to seek an extension to the tender validity period.

- The Grand Falls Windsor Treatment Centre will be completed in two phases:
  - Phase 1 tenders for the preliminary site work were received on August 11, 2011 (validity period expires October 9, 2011) with the following results:
    - Adams Construction $386,000.00
    - Newfound Construction $474,000.00
    - Reid Construction $840,000.00
  - Phase 2, the main building construction, will be tendered later this fall.
  - The lowest compliant bid is 14.3% lower than the pre-tender estimate of $450,000. This also represents strong competitive bidding.
• The project cost forecast for both Treatment Centres remains within the approved budgets.

• [Redacted] further directs HCS to report back to Cabinet on possible revenue sources, revised capital estimates and the scope of environmental remediation required for the Paradise site when seeking authority for additional funding. HCS continues to consult with relevant departments and will report results to Cabinet prior to awarding contracts for main building construction (Phase II).

• Demolition of the former Paradise Elementary School and subsequent testing below the existing structure is required prior to determining the full scope of environmental remediation required at the site. TW has consulted with the Departments of Environment and Conservation (ENVC) and they are satisfied with approach being taken for demolition. TW will continue to consult with ENVC during the remaining design and construction stage and reassess the scope of remediation required following demolition.

Action Being Taken:
• TW will award Phase I contract for the Grand Falls Windsor Treatment Centre immediately.
• TW will defer award of Phase I contract for the Paradise Treatment Centre until HCS indicates a satisfactory conclusion of the Public Information Session.

Prepared by: J. Garrett(TW)/G. Antle(TW)
Approved by: B. Cooper(HCS)/J. Chippett(TW)

September 22, 2011
Information Note
Department of Transportation and Works
Department of Health and Community Services

Title: Suitability of the former School for the Deaf as a residential treatment centre for youth with complex mental health needs.

Issue: Cabinet recently considered the proposed program for the two residential youth treatment centres announced in 2009. During the consideration, Transportation and Works (TW) in consultation with Health and Community Services (HCS) and Eastern Health, was asked to examine whether the former School for the Deaf residences could serve as a suitable site for a residential treatment centre for youth with complex mental health needs.

Background and Current Status:
- The estimated cost for a new 1,886m$^2$ residential treatment centre in Paradise for youth with complex mental health needs is between $8-10M$.

- The design for the new Centre approved by Cabinet calls for a pod like structure (enables separation of residential living space from common areas) with four bedrooms per pod (each with private washrooms), with kitchenettes and common rooms. The facility will also have recreational areas, classrooms and a gymnasium. The facility will consists of three pods (one secured) for a total of 12 beds.

- The former School for the Deaf residence, currently converted to a classroom and office setting, is a two storey pod-like structure that could be converted back to a residence environment. Apart from mechanical and electrical upgrades, such as ventilation, plumbing, and lighting, the degree of alterations and cost are driven by programming needs.

- Representatives from TW, HCS and Eastern Health toured the facility on June 9, 2011 to make a preliminary assessment of the site from a building and programming perspective.

- The main level of the former residence (1,600m$^2$) is divided into three pods with approx. 12 bedrooms per pod, public washrooms, common areas, and kitchenettes. Any of the three pods could be secured.

- The lower level (1,295m$^2$) contains apartments and space for recreational areas and classrooms. The ceiling height however is insufficient to accommodate a gymnasium configuration.

- Programming factors that would drive renovation, re-development and/or expansion cost include the addition of a gymnasium, the associated work required to install individual washrooms (i.e. lower level ceiling removal, extensive mechanical and electrical work) and the unique features required for a treatment centre (e.g. recessed lighting/fixtures, adequate site lines, etc.). The facility would require fencing and secured windows, which also leads to the requirement for centralized heat and air ventilation including air conditioning/cooling.

- Cost estimates for renovations are considered very soft as there are often hidden costs that are not realized until the actual renovation process begins (e.g. deterioration, unknown plumbing piping requiring relocation, etc.). The cost of simply converting the facility back
to a residence (with the minimum requirement for mechanical and electrical upgrades which would NOT include any additional washroom fixtures, ventilation or cooling, or any specialty provisions for programming) could be less than $1M. The cost associated with meeting all program requirements for a Youth Health Centre could place a cost estimate at somewhere several times this amount. These program requirements, as applied to this existing facility, are unknown in any detail at this early assessment stage.

- The concrete block walls and lack of windows in the existing games and multi-purpose rooms are deemed problematic by HCS as it gives an institutional rather than a residential appearance.

- Although the existing facility is larger and could accommodate growth, Eastern Health advises that the large pod structure is inappropriate from a treatment perspective and creates issues with supervision. Eastern Health indicates that expansion of the number of residents in a single treatment facility beyond the approved model of 12 would not be recommended as larger treatment groups create a more institutionalized environment and are not a best practice in terms of optimizing therapeutic outcomes. Instead any proposed future expansion of treatment offerings would be best accommodated through the construction of a separate facility.

- As most youth are free to leave at any point, Eastern Health notes it is important to have the center established in an area (preferably rural) surrounded by green space away from areas where the young people could be drawn into interaction with others that could cause a regression in their treatment process. Eastern Health advises that location is paramount to the treatment process and that all of the treatment facilities they are aware of that serve a similar youth population are established in areas with significant buffer zones/green spaces largely in rural areas. They further advise that the only treatment facilities that they (and their consultant) are aware of which are in an urban setting are completely secured facilities and serving youth who are under secure treatment orders (only 4 of the 10 young people served by the facility will be under a secure treatment order).

- Eastern Health advises that the attached former School for the Deaf, which serves as swing space for the Eastern School District, is of great concern and is inappropriate from a treatment perspective. Having both a traditional school and a treatment centre attached as well as on the same site creates a social divide based on the two different environments for students at school versus youth in the treatment centre.

- According to Eastern Health, the co-location of the treatment facility and school on one site creates risks for the success of the program, and young people, who are participating in the program. One of the objectives in a child entering treatment is to remove him/her from their regular environment that contributed or exacerbated their issues. Malls and high schools are hang-outs and the close proximity will pose a challenge to objective of offering of a safe and therapeutic environment with minimal distractions.

- Although the building does have green space buffering the facility from neighboring communities, the proximity to the Village mall and the future site of the new West End High School is problematic not only from a treatment perspective, but may pose a significant issue for the community and parents of children attending the new High School. Since the treatment facility will not be a locked facility, Eastern Health will not be able to guarantee
parents or educators that the youth receiving treatment will not interact with children on the
school grounds and as such cannot guarantee the safety of the school children. EDU
generally agrees with this assessment of Eastern Health.

Action Being Taken:
• Based on the assessment above TW and HCS, in consultation with Eastern Health, will
proceed with advancing the residential treatment centres as quickly as possible on the
previously chosen sites.

Prepared/Approved by: J. Garrett and G. Antle/Jamie Chippett and Bruce Cooper
Approved by: Ministers Hedderson and Kennedy
June 11, 2011
Title: Tender Results for the Youth Residential Treatment Centres

Issue: On March 27, 2012, tenders closed for the main building construction packages for the Grand Falls-Windsor and Paradise Youth Residential Treatment Centres. Tender results are significantly higher than the estimates carried prior to tender.

Background and Current Status:

- On March 11, 2009, [redacted] provided Stage 1 Approval in Principle for the construction of a new youth residential treatment centre to service the Northeast Avalon Peninsula. The Cabinet submission included a notional cost estimate of $5M, which was based on the construction cost of the Humberwood Centre in 2006.

- Budget 2009 announced the construction of a new youth residential treatment centre in Grand Falls-Windsor (GFW).

- On May 7, 2009, [redacted] confirmed $500,000 in planning money for a youth residential treatment centre to be constructed in Paradise.

- On June 6, 2011, [redacted] provided approval to proceed with the conclusion of design work and the issuance of a public tender with respect to the two youth residential treatment centres to be constructed in GFW and Paradise. The Infrastructure Strategy was amended to reflect new approved project budgets of $9.5M for GFW and $8.3 for Paradise. The increase in cost estimates were largely attributed to unique design features associated with the youth treatment centres, such as the "Pod" configuration for residence rooms and the instructional and physical fitness space requirements.

- [redacted] further directed the Department of Health and Community Services (HCS), in consultation with the Department of Transportation and Works (TW), to review the revised capital estimate range of $17M - $21M based on the latest information provided as well as report back to Cabinet with tender results prior to awarding any contracts. At the time of submission, the project was still in the design stage and thereby carried a cost estimates of +/-30%, hence the $17M - $21M range. The Fiscal Framework carried the lower range estimate of $17M.

- On September 22, 2011, TW and HCS advanced an Information Note outlining the tender results for preliminary site work for both treatment centres. TW, following consultations with Cabinet Secretariat, confirmed that the intent of [redacted] was with respect to the main building construction package and did not impact the Department's ability to award preliminary site work contracts.
• On September 26, 2011, TW awarded a contract valued at $386,000 to Adam's Construction for site preparation work for the GFW youth residential treatment centre. The bid was 14.3% lower than the pre-tender estimate of $450,000.

• On November 9, 2011, TW awarded a contract valued at $344,000 to Urban Constructing Ltd. for demolition of the former Paradise Elementary to accommodate the new treatment centre. The bid was 23.5% lower than the pre-tender estimate of $450,000.

• On December 10, 2011, TW issued tenders for the main building construction packages for both treatment centres. The tenders closed on March 27, 2012 and the results are as follows:

<table>
<thead>
<tr>
<th>Grand Falls-Windsor</th>
<th>Paradise</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bluebird</td>
<td>$10,602,000</td>
</tr>
<tr>
<td>Baraco</td>
<td>$11,008,337</td>
</tr>
<tr>
<td>Marco</td>
<td>$11,702,352</td>
</tr>
<tr>
<td>Brook</td>
<td>$12,117,500</td>
</tr>
<tr>
<td>Eastern</td>
<td>$10,314,473</td>
</tr>
<tr>
<td>Anchorage</td>
<td>$10,549,793</td>
</tr>
<tr>
<td>Magna</td>
<td>$10,599,115</td>
</tr>
<tr>
<td>Baraco</td>
<td>$10,619,469</td>
</tr>
<tr>
<td>Marco</td>
<td>$10,623,752</td>
</tr>
<tr>
<td>Bird</td>
<td>$11,030,000</td>
</tr>
<tr>
<td>Olympic</td>
<td>$11,415,929</td>
</tr>
</tbody>
</table>

• Projected revised cash flows are as follows:

<table>
<thead>
<tr>
<th>Grand Falls-Windsor</th>
<th>2010-11</th>
<th>2011-12</th>
<th>2012-13</th>
<th>2013-14</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-tender</td>
<td>$31,400</td>
<td>$1,190,000</td>
<td>$8,235,328</td>
<td>$0</td>
<td>$9,456,728</td>
</tr>
<tr>
<td>Post-tender</td>
<td>$31,400</td>
<td>$995,200</td>
<td>$6,735,000</td>
<td>$4,531,350</td>
<td>$12,292,950</td>
</tr>
<tr>
<td>Variance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$2,836,222</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Paradise</th>
<th>2010-11</th>
<th>2011-12</th>
<th>2012-13</th>
<th>2013-14</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-tender</td>
<td>$12,200</td>
<td>$839,148</td>
<td>$7,430,405</td>
<td>$0</td>
<td>$8,281,753</td>
</tr>
<tr>
<td>Post-tender</td>
<td>$12,200</td>
<td>$891,000</td>
<td>$6,799,000</td>
<td>$4,229,449</td>
<td>$11,931,649</td>
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<td>-------------</td>
</tr>
<tr>
<td>Variance</td>
<td></td>
<td></td>
<td>$3,649,896</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- The revised cash flows for both treatment centres will not have an impact on FY2012-13. However, the treatment centres will require an approved total budget increase of $6.5M as well as the associated pre-commitment increases for 2013-14 in order to advance both projects.

- Pre-tender construction estimates provided by the consultant (Hampton Architects Inc) in mid-March 2012 included $9.8M for Grand Falls-Windsor and $9.7M for Paradise.

- The similarity and competitiveness of tender bids suggests that they are reflective of market conditions and fair market cost. Based on the tender results, TW’s projected revised project cost estimate for GFW is $12.5M, 29.5% above the conceptual estimate of $9.5M. The projected revised cost estimate for Paradise is $11.9M, 43.9% above the conceptual estimate of $8.3M.

- Transportation and Works and Health and Community Services advise that there are several elements which may have contributed to the elevated bid totals. Both Departments are currently examining the potential magnitude of each factor.

  - Understanding of Market Conditions: The fact that the final pretender estimates provided by the consultant (inclusive of final design decisions) came in within the estimated project range (maximum $21M), but outside the market range; raises questions regarding the understanding of market conditions held by the consultant.

  - Costing Assumptions: Cost estimates for both treatment centres were based on the per foot construction cost of the Humberwood Centre with adjustment factors for such things as location, site preparation, LEED compliance, escalation to year 2010 etc. The cost estimate for the Spring 2011 Cabinet paper was completed in February 2011 with escalation up to March 2011 and would not have been escalated to 2012 year. Further, according to the tender evaluation, the cost of certain elements is significantly above the costs anticipated even though the systems are a reasonable reflection of what is in Humberwood or other comparable facilities. For example, the cost of mechanical and electrical systems are substantially higher than can be explained by escalation. Finally, TW’s use of a 15% design contingency and a 2% program creep allowance to allow for the unique features of the treatment centres (e.g. pod structure; steel structure; security features etc.) was insufficient when compared to the basic structure of Humberwood.

  - Design Assumptions: There were changes made during the design process related to emergency power provision, power line relocation, as well as features unique to such treatment facilities in the area of finishes, fixtures and
security. While TW and HCS Executive were sensitive to the need to stay on budget, and this was clearly understood at the level of officials engaged in refining the design, the potential financial impacts of the design changes were not brought to the Executive level of either Department and the prime consultant did not provide any idea that costs were beyond what was originally budgeted (note: the new infrastructure process would have mandated two checkpoints and related estimates during design phase to a committee of Deputy Ministers).

- Tender Process: Due to the urgency of advancing the project, both treatment centers were tendered without the complete set of tender documents (i.e. elements of detailed design) with the anticipation that all documents would be readily available within ten days time. As a result, the estimate tied to the project at the time of tender did not reflect the additional design costs associated with the design changes including the identification of new program requirements (i.e. security, fixtures, etc.) near the end of the design phase. In fact, the tender remained open until March 27 as stated above, largely due to the time required to advance design to a comprehensive enough level to allow bids yet there was no indication from the consultant that the budget would be impacted. The process outlined earlier has been common practice to expedite project progress but has recently been suspended by the Deputy Minister of Transportation and Works until further analysis of this practice can be performed.

**Action Being Taken:**

1.  

2.  

3.  

Section 18(1)(a)(ix)
4. A consultant evaluation has been completed on the consultant's performance and a meeting will be held in near future to obtain their perspective on their performance in preparing timely tender documentation, estimates and overrun in this particular case.

Prepared/Approved by: J. Garrett/J. Chippett/T. Wakeham/B. Cooper
Approved by: Ministers Hedderson and Sullivan (pending)
April 24, 2012

[Signatures]
Section 18(1)(a)(ix)

Under the authority of section 26(4) of the Financial Administration Act, the Lieutenant Governor in Council is pleased to authorize the Department of Health and Community Services to pre-commit funds in the amount of $9,750,800 against its 2013/14 appropriations to facilitate the award of contracts for the construction of the Grand Falls-Windsor Youth Treatment Centre and the Paradise Youth Treatment Centre.

Robert C. Thompson
Clerk of the Executive Council