



STAFF REPORT INFORMATION ONLY

Toronto Public Health Dental Clinic at North York Civic Centre – History and Status

Date:	March 2, 2007
To:	City Council
From:	Medical Officer of Health
Wards:	8, 10, 23, 24, 33, 34
Reference Number:	

SUMMARY

At its February 26, 2007 meeting, The Board of Health (BOH) considered alternatives to locating a Toronto Public Health (TPH) dental clinic at the North York Civic Centre (NYCC) due to the increased cost of the project. The alternatives included maintaining the status quo, leasing commercial space, and approving additional funds to complete the TPH dental clinic at NYCC. The BOH recommended that additional funds be approved to locate the TPH dental clinic at NYCC as this was the most cost-effective, viable solution. The BOH sent the request for additional funds to the Executive Committee for consideration and approval in the 2007 TPH Capital budget. These funds will be repaid using the savings realized from the restructuring of the delivery of dental services in the North York school mobile dental treatment program.

At its February 27, 2007 meeting, the Executive Committee adopted the recommendations from the BOH that City Council approve an additional \$480 thousand to establish a dental clinic at the North York Civic Centre and that these additional funds be repaid in year 2008 (\$240 thousand) and 2009 (\$240 thousand). Adoption of these recommendations was subject to a further report directly to City Council on the history of this project, how the scope of this project has changed by such a great amount and exactly what stage the project is at now. This report provides the information requested.

Financial Impact

The Request for Quotation (RFQ) to establish a dental clinic in the NYCC confirms previous findings from an earlier RFQ that, the \$300,000 in the 2006 TPH Capital budget is insufficient to renovate the space allocated for the dental clinic at the NYCC. Reasons for this increase in cost are explained in the BOH report titled “Establishment of a Dental

Clinic at North York Civic Centre”, February 9, 2007.

<http://www.toronto.ca/legdocs/mmis/2007/hl/bgrd/backgroundfile-1674.pdf>

The lowest qualifying bid from the current RFQ is \$621,239. The total renovation costs, including design, construction and project management fees, will be \$780,000. Therefore, an additional \$480,000 will be required in the TPH Capital budget to complete this project. If the additional funds are approved, the repayment of the project costs would be extended to 2009. The loan repayment will be from the savings realized from restructuring the delivery of services in the North York school mobile dental treatment program.

Table 1
Revised Capital Budget for North York Dental Clinic

Year	2006	2007	2008	2009	Total
(\$000s)					
Original Council Approved Budget:					
Project Cost	300.0	0.0	0.0	0.0	300.0
Contribution from operating savings to capital	(120.0)	(180.0)	0.0	0.0	(300.0)
Net Impact	180.0	(180.0)	0.0	0.0	0.0
Revised Budget					
Project Cost	300.0	480.0	0.0	0.0	780.0
Contribution from operating savings to capital	(120.0)	(180.0)	(240.0)	(240.0)	(780.0)
Net Impact	180.0	300.0	(240.0)	(240.0)	0.0

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

At the July 11, 2005 meeting, the BOH approved the establishment of a TPH dental clinic at the NYCC to replace the North York school mobile dental treatment program with an approved budget of \$300,000. Restructuring the delivery of dental services in the former North York will result in an estimated annualized savings of approximately \$270,000. These savings will be used to repay the loan to renovate the space available at the NYCC.

The results of an RFQ issued in July 2006, indicated that this budget was insufficient to complete the renovations necessary to establish the clinic. TPH requested that additional funds of \$411,860 be included in the 2007 TPH Capital budget to complete the project in 2007. However, the BOH requested the MOH to report back on alternative solutions to establishing a dental clinic in NYCC because of concerns about the increased cost.

On February 26, 2007, the MOH reported to the BOH findings on alternative solutions to establishing a dental clinic in NYCC. The MOH recommended that since there are no cost-effective, viable alternatives available, a TPH dental clinic be located at the NYCC and requested that additional funds be approved to complete the project. The BOH recommended that additional funds be approved and recommended that the request for additional funds be forwarded to Executive Committee for consideration with the 2007 TPH Capital budget.

ISSUE BACKGROUND

Dental services in North York are currently delivered using aging, mobile dental equipment in schools. This method of service delivery means that other groups such as seniors, adolescents and perinatal clients, have to travel to other areas of the City to obtain dental care. In addition, some schools are experiencing space shortages and have requested that TPH give up the space used by the dental program.

Establishment of a dental clinic at the NYCC will complete harmonization of the TPH dental program citywide and will address issues of equitable access to dental care for eligible residents in North York as well as the space shortage in affected schools. If the requested funds are approved, the project will be completed by September 2007.

Once the debt for the Capital cost is repaid, it is the intent of the BOH to use the savings from the restructuring of the North York school mobile dental treatment program to complete harmonization of the dental program for institutionalized seniors.

COMMENTS

Attachment 1 gives the chronology of the decisions and activities related to locating a TPH dental clinic at the NYCC. Alternative solutions to establishing a TPH dental clinic at NYCC were considered by staff from TPH and Facilities and Real Estate (F&RE) in consultation with the design architect. These alternate solutions included exploring ways to reduce the cost of the project and/or relocate the clinic. The findings from these discussions are detailed in the TPH report to the BOH on February 26, 2007 titled “Establishment of a Dental Clinic at North York Civic Centre”.

<http://www.toronto.ca/legdocs/mmis/2007/hl/bgrd/backgroundfile-1674.pdf>

The results from these discussions show that despite increased capital costs, the NYCC is the most cost-effective, viable option for locating the TPH dental clinic.

Table 2 compares the original estimate with the results of the lowest bid for the current RFQ and details the increased costs of the project. The original estimate provided by F&RE in 2005 is below current market costs. It should be noted that it is difficult to estimate the impact on project costs, of the requirement for construction companies to post performance and bid bonds and to meet the legal requirements for contracts with the City, for projects on city owned property. These requirements also limit the number of

companies, especially smaller companies specializing in dental office construction that can successfully bid on City contracts of this nature.

**Table 2
Comparison of F&RE Estimate and RFQ Results**

	Original F&RE Estimate	Lowest bid from current RFQ Estimate	Cost Difference
Space (sq.ft.)	2,272	2,687	415
Cost per sq.ft. (\$)	132.00	290	158
Total Cost (\$)	300,000	780,000	480,000
Architectural Design & Consulting	14,600	49,500	34,900
General	67,600	244,000	176,400
Electrical	35,700	113,000	77,300
Plumbing	35,800	95,000	59,200
HVAC	21,300	10,000	(11,300)
Finishes	66,800	52,000	(14,800)
Management Fees	30,000	69,100	39,100
Insurance/Bonds & Contingency Allowances	18,200	107,200	89,000
Permits & Printing	10,000	20,200	10,200
Night Work Between 6pm to 6am	Not Included	20,000	20,000
Total Cost (\$)	300,000	780,000	480,000

The scope of the project changed because of the need to construct a new boardroom to replace the existing boardroom which will be included in the dental clinic. These costs were not included in the original estimate.

To date, \$37,812 has been spent on architectural fees and as approved by the BOH, suitable fixed dental equipment was purchased in 2006 for a cost of \$167,000. In addition, one instalment on the debt was paid in 2006.

Summary of Options for the North York Dental Clinic:

The following alternatives to locating the dental clinic at the NYCC were considered by the BOH:

- 1) Maintaining the status quo of service delivery in North York

Some schools are anxiously waiting to take back the dental clinic space in the school. Current service delivery in schools requires other groups such as seniors, adolescents and perinatal clients, to travel to other areas of the City to obtain dental

care. Aging mobile dental equipment dating back to the 1970's would require replacement at a cost of approximately \$250,000.

- 2) Finding leased commercial space and including the capital costs as leasehold improvements

This option would result in an unpredictable delay due to the shortage of suitable commercial space. Savings from program restructuring, after capital costs are repaid, would be needed for ongoing lease costs, and would not be available for reinvestment in harmonization of dental services for institutionalized seniors.

- 3) Renovating NYCC to accommodate the dental clinic

This would require additional funds as described in this report. This option would mean locating the clinic in an accessible site that is familiar to the community and accessible by public transit. Repayment of capital costs and reinvestment of savings in dental services for institutionalized seniors would be delayed by two years.

If the BOH is to achieve its objective of harmonizing dental services city-wide to enable equitable access to dental services across the city, while continuing to provide vital dental services to eligible residents, then it is apparent that locating the clinic at the NYCC is the most appropriate option despite the increased capital costs.

Approval of the additional requested funds in the 2007 TPH Capital budget will expedite the award of the contract to the lowest bidder that meets the requirements of the current RFQ and so allow construction of the clinic to proceed in a timely fashion. This will result in improved access to the TPH dental program for eligible residents in North York.

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SIGNATURE

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ATTACHMENTS

Attachment 1: Chronology of Decisions & Activities: Restructuring North York School Mobile Dental Treatment Program and Locating TPH Dental Clinic at NYCC

Attachment 1

Chronology of Decisions & Activities: Restructuring North York School Mobile Dental Treatment Program and Locating TPH Dental Clinic at NYCC

Date	Activity	Committee/ Division
July 11, 2005	Approval of restructuring of service delivery of the North York school mobile dental treatment program to harmonize dental services citywide. Savings from the restructuring of the program to be used to establish a TPH dental clinic. Recommend that the TPH dental clinic be located at the NYCC. Cost estimated to be \$300,000.	BOH
March 7, 2006	Issue RFQ for Architectural firm. Select architectural firm.	F&RE in consultation with TPH
April 20, 2006	Approve architectural plans.	F&RE in consultation with TPH
July 11, 2006	Issue RFQ. Results of RFQ show project cost of \$600,000. Approved funds in TPH capital budget insufficient to pay for project.	Purchasing, F&RE
September 14, 2006	TPH request additional funds in Capital budget with increased timelines to repay the funds. BOH request TPH to examine other alternatives to locating the dental clinic at NYCC.	TPH and BOH
October 6, 2006	TPH and F&RE staff meet with design architect to examine alternatives. No comparable City space available in NY, ongoing cost of leasing space would have to be absorbed in TPH program budget. More cost-effective long term to locate dental clinic at NYCC. Decide to revise and reissue RFQ to contain costs.	TPH and F&RE
December 28, 2006	Issue revised RFQ.	Purchasing, F&RE in consultation with TPH
February 1, 2007	Obtain results of revised RFQ. Lowest qualifying bid is \$621,239.	Purchasing, F&RE in consultation with TPH

February 26, 2007	<p>TPH report to BOH on findings from examining other alternatives to locating the dental clinic at the NYCC and the results of the revised RFQ. TPH recommend that the clinic be located at the NYCC as this is cost-effective in the long-term.</p> <p>BOH approves recommendations from TPH and forwards report to Executive Committee for inclusion and consideration in the 2007 Capital budget.</p>	<p>TPH</p> <p>BOH</p>
February 27, 2007	Executive Committee recommends that City Council adopts the recommendations from the BOH subject to a further report directly to City Council.	Executive Committee