

Adjustments to Toronto Public Health's 2023 Budget to fund construction of a new dental clinic at 160 Borough Drive

Date: March 22, 2023

To: City Council

From: Medical Officer of Health

Wards: All

SUMMARY

Seniors covered under the Ontario Seniors Dental Care Program (OSDCP) represent the largest demographic group of clients using Toronto Public Health (TPH) dental clinics.

The Scarborough Civic Centre (SCC) clinic at 150 Borough Drive is the busiest of TPH's dental clinics and consistently has a wait list of clients. Toronto Public Health (TPH) has initiated a project to build another clinic at 160 Borough Drive (adjacent to the current clinic) to increase capacity to meet demand.

Construction costs have risen sharply due to a revision of the design of the dental clinic, the impact of inflation in the cost of construction materials and labour, and changes in the operational environment at SCC since the original decision and costing were made in September 2021. Toronto Public Health is requesting a reallocation of funds in the amount of \$426,610 from the approved 2023 TPH Operating Budget to the 2023 TPH Capital Budget to increase the approved 2023 TPH Capital Budget for the 160 Borough Drive clinic construction project to \$555,610. There is no net financial impact to the City of Toronto (the City) as a result of this change, as the Ministry of Health provides 100 percent funding for this project as part of the OSDCP.

RECOMMENDATIONS

The Medical Officer of Health recommends that:

1. City Council increase the 2023 Toronto Public Health Capital Budget by \$426,610 for the construction of the 160 Borough Drive Toronto Public Health dental clinic and

decrease the 2023 Toronto Public Health Operating Budget by \$426,610 to fund the increase in the 2023 Toronto Public Health Capital Budget.

FINANCIAL IMPACT

Toronto Public Health is requesting an increase to the 2023 TPH Capital Budget in the amount of \$426,610 for construction of dental a clinic at 160 Borough Drive. The increase in the 2023 TPH Capital Budget would be funded by a corresponding decrease to the 2023 TPH Operating Budget, using funds from the 100 percent Ministry of Health-funded OSDCP.

COMMENTS

The province launched the OSDCP in 2020 to provide services to low-income seniors. There is high demand for this program in Scarborough, making the clinic at SCC (150 Borough Drive) TPH's busiest.

In September 2021, a decision was reached to build an additional dental clinic to respond to the demand for dental services in the Scarborough area. At that time, the cost for the construction of a clinic at 160 Borough Drive was estimated to be \$129,000, which would be funded by the 100% provincially-funded OSDCP.

In March 2022, a newer estimate came from the City's newly hired architectural consultant, increasing the construction portion to \$216,191. This cost reflected considerations to reconfigure the existing space to three, closed room operatories for Infection Prevention and Control, and incorporate a denture fabrication lab to support the growing demand for dentures of our OSDCP clients.

Since then, construction costs have risen sharply due to a combination of construction materials inflation and, more recently, labour inflation. The tender for the project was released at the end of 2022 with a closure date in January 2023. The successful bidder put forward a project cost of \$555,610, which was the lowest compliant bid received. This represents an incremental increase of \$426,610 over the approved budget. The project evaluation team has also concluded a post-tender clarification process with the lowest bidder, and has confirmed that the bid appropriately reflects current market pricing conditions. In particular, the increased labour costs reflect the current operating conditions of SCC. The original estimates were made at a time when SCC was closed due to the pandemic and there was a window for construction to occur during regular working hours. Now that SCC has reopened, construction is priced at the after-hours rate of one and a half times the current labour rate.

Funds for this incremental increase can be re-allocated from the 2023 OSDCP operating budget without impacting service levels. The use of the OSDCP budget to expand TPH's clinic capacity is aligned with the OSDCP's objective to provide dental services to Ontario's seniors.

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SIGNATURE

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