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Pomerleau sues province for \$20M over Labrador West hospital

Transportation and Works minister confident everything done in the 'proper manner'

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Brazil responds to Labrador West hospital lawsuit

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Transportation and Works Minister David Brazil responds to news of a lawsuit by Quebec construction company Pomerleau

A Quebec construction company is suing the Newfoundland and Labrador government for more than \$20 million dollars, claiming the department of Transportation and Works caused numerous delays that postponed the opening of Labrador City's new hospital by 17 months.

Pomerleau Inc. filed the lawsuit in Newfoundland and Labrador Supreme Court in late October. It had originally filed a lien against the province for \$21 million in August, after saying it completed the project on July 31, 2014 and is owed the money.

Transportation and Works Minister David Brazil said Wednesday the province would defend the matter in court.

He said the lawsuit comes as a surprise, and the province considers the work — and the payments — complete.

“Our officials have looked at it, are very confident that we did everything in the proper manner, and that we did what was in the best interests of the taxpayers in this province.”

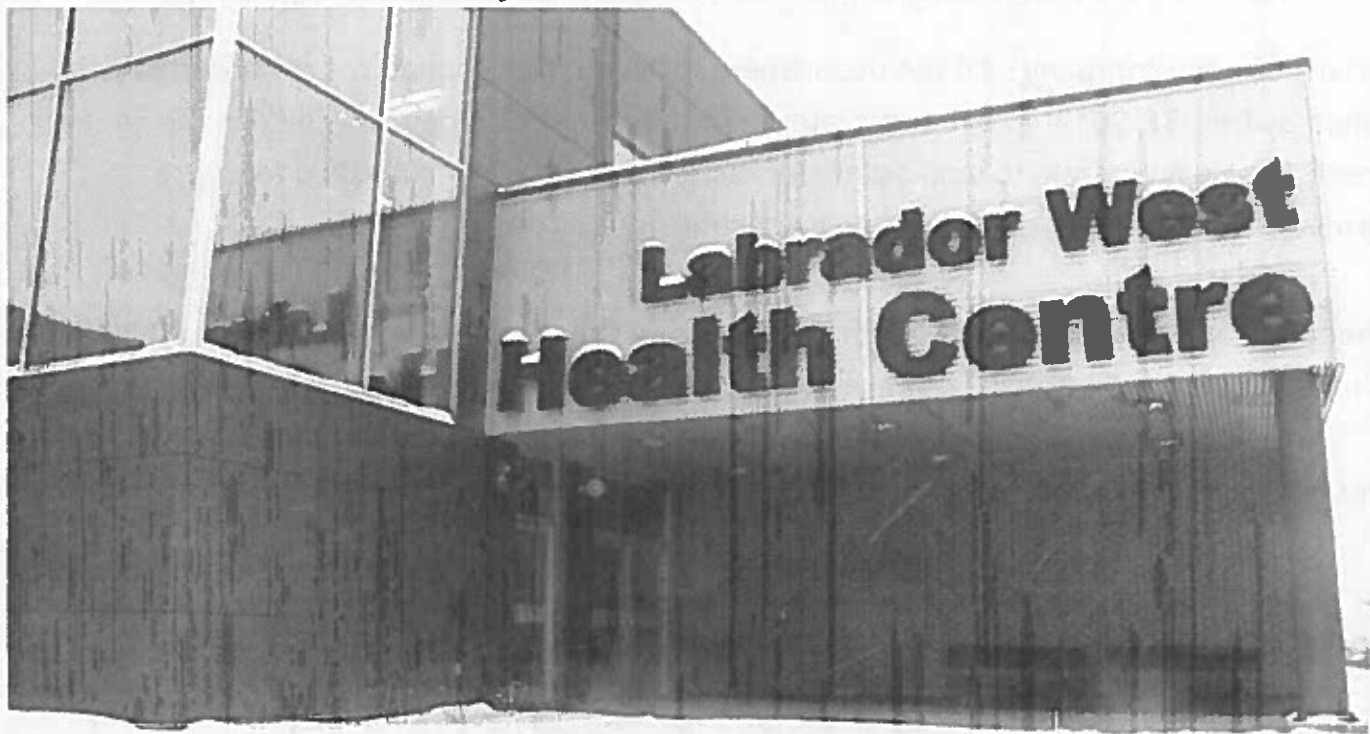
- Transportation and Works Minister David Brazil

"Our officials have looked at it, are very confident that we did everything in the proper manner, and that we did what was in the best interests of the taxpayers in this province," he said.

The company was contracted to build the Labrador West Regional Health Care Facility — the region's long-awaited new hospital — in February 2011, with a completion date of February 2013 and a cost of just over \$55 million.

In its statement of claim, Pomerleau says the department "either directly, or through its consultants, caused numerous delays on the project." The company adds it "did not cause or

contribute" to the 17-month delay.



Quebec company Pomerleau is suing the province for more than \$20 million after western Labrador's new hospital was delayed for 17 months. (CBC)

"Pomerleau states that the impacts caused by the defendant have included cutbacks on approved change orders, delays in processing and coordinating requests for information, significant delays related to the timely approval of contract changes, direct delays as a result of the defendant making contract changes, delays due to the late scheduling of inspections by the defendant and/or its consultants or failing to schedule inspections in a timely manner, and various delays due to conflicts of interest with the consultants," the statement of claim said.

It said the contract from the beginning contained "an unusually high number of errors, omissions, and discrepancies," which had a "significant impact" on the construction schedule.

The statement lists a number of shortcomings that led to delays, including:

- Failing to provide proper design drawings and specifications;
- Failing to properly respond to requests for information;
- Failing to conduct inspections in a timely manner and pursuant to standard construction industry practice;
- Failing to properly process contractual changes in accordance with standard construction industry practice;

- Failing to resolve disputes pursuant to standard construction industry practice;

Furthermore, the company said the department believed the hospital was supposed to be finished by Dec. 31, 2013 —10 months later than the completion date specified in the contract. Pomerleau said it was told to stop asking for faster responses when it asked for more information or looked for meetings and inspections.

Pomerleau has been paid \$64 million for its work, but the company is suing for the additional \$20 million to recover costs. Its claims have not been proven in court.

Staff and equipment will start moving into the hospital Nov. 17.

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