



## HSE Board Briefing Template

**Subject:** Contract Award for 110 Bed Community Nursing Unit with Rehab Unit at Kilmacrennan Road, Knocknamona, Letterkenny, Co Donegal

**(Capital Plan Ref 91, IO 61003563)**

**Submitted for meeting on:** 7 June (EMT), 16 June (ARC), 30 June (Board) 2023

**Name & title of author:** Dean Sullivan, Chief Strategy Officer

**Why is this information being brought to the Boards attention?**

Approval of the HSE Board is required as the contract is valued above €10m.

**Is there an action by the Board required, if so please provide detail?**

It is recommended that EMT, and thereafter ARC and the HSE Board, approve the contract award for the construction of a 110 Bed Community Nursing Unit with Rehab Unit to provide both long and short stay beds in Letterkenny, to [REDACTED]

The cost of the contract is [REDACTED]

**Please indicate which of the Board's objectives this relates to;**

- The development and implementing of an effective Corporate Governance Framework, incorporating clinical governance and a performance management and accountability system;
- Developing a plan for building public trust and confidence in the HSE and the wider health service;
- Ensuring the HSE's full support for and implementation of the Government's programme of health reform as set out in the Sláintecare Implementation Strategy;
- Exercising effective budgetary management, including improving the value achieved with existing resources and securing target saving, with the objective of delivering the National Service Plan within Budget.

**Brief summary of link to Board objectives.**

The cost of the contract is [REDACTED] Approval of HSE Board members is required as the contract is valued above €10m.

**Background - provide context in order to ensure that the Board fully understand the issue.**

The 'Community Hospitals for Letterkenny/East Donegal Primary Care Networks 2017-2026' report, commissioned in 2017, examined a variety of factors including demographics, the adequacy of current infrastructure and HIQA reports and recommendations in order to define needs for long and short term residential care in the region. The review validated the need for a new Community Hospital/CNU in Letterkenny with a capacity of 110 beds and informed the original Business Case for this project. The building's design facilitates flexibility in configuration of bed use to accommodate long stay residents and to support the adjacent Letterkenny University Hospital in the use of step down/short term beds.

The project was originally developed as part of a national Public Private Partnership (PPP) Bundle instigated in 2018/19 and was subsequently removed from the bundle due to delays with its planning application process. A Cost Benefit Analysis completed by Deloitte in 2019 identified Exchequer funding as a viable alternative delivery option for the project alongside the then preferred PPP method. The project has been developed from Stage 2b as a stand-alone capital funded project.

The site for the new 110 bed Community Nursing Unit, comprising circa 3.3 acres, is located directly across the road from Letterkenny University Hospital.

The new centre will be made up of one 10-bed Dementia Household and four 25-bed wards or households, with the households laid out around courtyards. The building's total area is 9,400 sq.m. and also contains:

- full production kitchen and a central entrance area containing the reception, lobby and foyer;
- reflection room;
- hairdresser room;
- clinical treatment room;
- visitor's room;
- family overnight accommodation.

Each 25-bed household will have 23 single rooms and one twin room. Each household will have its own dayroom, activities room, dining room and kitchen/pantry area.

The dementia unit is a self-contained household, specifically designed with dementia care in mind and comprising 10 single bedrooms with dining, day and activity rooms. The rehab unit is located on the same level as two of the 25-bed households, and contains dedicated Physiotherapy and OT activity and treatment spaces as well as an Activities of Daily Living (ADL) kitchen, Orthotic/Splint treatment room and consultation/interview rooms.

The design and specification of this CNU generally follow nationally agreed standards for CNUs, in line with the PPP bundle of projects.

### **Tender Process**

The project is a traditional build contract for building works designed by the employer. It was procured under an EU restricted tender process to identify the most economically advantageous tender. The project was publicly advertised (e-Tenders ID RFT 203771) seeking expressions of interest from suitable Contractors.

Interested contractors were invited to return a completed Suitability Assessment Questionnaire (SAQ). The SAQs were assessed by the HSE appointed Design Team and four contractors were successfully prequalified for the project and were invited to tender. Two tenders were subsequently received and a summary of the tenders returned by the deadline of 13 February 2023 is outlined below.

Tender Prices Received:


Following conclusion of the evaluation process, Boyle Construction Ltd has been determined to be the Most Economically Advantageous Tender (MEAT). The HSE-appointed design team have carried their due diligence and recommend acceptance of the tender for [REDACTED]. The programme for the works is approximately 28 months from contract award.

The project is urgently needed to address deficiencies in both long-stay residential accommodation and in acute

bed capacity in the region. This project is recommended as the appropriate solution to meet these service needs and approval is sought to award the tender as outlined above.

- **Current status**  
Seeking Board approval to appoint Works Contractor.
- **Budget**  
The funding for this project has been included in the HSE Capital Plan 2023. The total estimated project cost is [REDACTED] for the design, construction, equipping, contingency and other costs associated with the project.
- **Resources**  
The new unit will be staffed from within existing WTE numbers or as allowed for, within the HSE National Service Plan to provide additional capacity.
- **Impact to delivery of services**  
This proposed redevelopment is required to meet the (HIQA) National Quality Standards for Residential Care Settings for Older People and to comply with the Health Act 2007. The provision of step-down beds supported by a rehab unit will support Letterkenny University Hospital in meeting existing capacity requirements as identified in the 2018 Health Service Capacity Review and the subsequent Saolta Demand and Analysis Review of 2021.
- **Corporate Plan**  
Fully supports the strategy set out in the HSE Corporate Plan & Service Plan and key priorities of the Department of Health 'Statement of Strategy 2021-2023'.
- **Sláintecare**  
Aligned with the central programmes of the Sláintecare 'Implementation Strategy and Action Plan 2021-2023' for delivery of services.
- **Social factors (e.g., impact on specific area such as the elderly, disabilities)**  
The elderly long-stay residents will be cared for in a new fit for purpose unit with significant improvements for residents in the enhanced environment. The availability of short stay rehab-supported beds will provide high-quality step down environment where patients of all ages can convalesce in a dedicated setting, expediting their return to their homes and communities.
- **Technological factors**  
N/A
- **Legal factors**  
The standard Public Works Contract for Building Works designed by the Employer (PW-CF1) is being used.

#### **Sustainability**

The 110 Bed CNU development is designed to the latest standards for energy efficient design as set out in the detailed design documentation included in the Works Requirements. An Energy Efficient Design (EED) specialist was engaged as part of the design process for this specific purpose. The building is required to achieve the *Nearly Zero – Energy Buildings* (NZEB) standard in accordance with the revised Building Regulations Part L.

#### **Value for Money**

The works contract has been competitively tendered and the tenders received reflect the current market rates for this scale of project in the area. The Most Economically Advantageous Tender (MEAT), namely the tender submitted by [REDACTED] has been evaluated by the Design Team as representing value for money in the current market.

#### **Conclusion**

N/A

#### **Recommendation**

It is recommended that EMT, and thereafter ARC and the Board approve the proposal as outlined above.