



## HSE Board Briefing Template

**Subject:** Proposed entry into a construction contract for improvement works at the Carraig Mór Mental Health Facility, Cork.

**Submitted for meeting on:** 13 December (EMT) , 8 December (ARC), 16 December 2022 (Board)

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

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

Approval of the HSE Board members is required as the proposed Contract (coupled with inflation payment/asbestos removal works) is valued above €10m

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

This proposal was approved at EMT and ARC, it is recommended that the HSE Board, approve the proposal to award a contract for construction improvement works at the Carraig Mór Mental Health Facility, Cork to Cumnor Construction Ltd. Cork.

The tendered contract is [REDACTED] With due diligence completed, the proposed agreement with the contractor for inflation indexation for the construction works (under the public works inflation co-operation agreement), along with required asbestos removal works, means an additional cost of [REDACTED] over the tendered sum.

Therefore while the tendered contract to be entered into is below the €10m threshold in place for Board approval, the known costs mean that the overall contract sum will be [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. **X**

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

The total cost of the contract and known costs as outlined above is [REDACTED] Approval of Board members is required as the total contract sum is valued above €10m.

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

Carraig Mor centre, Cork, is a Psychiatric Intensive Care Unit, and is regulated by the Mental Health Commission (MHC). In 2021, the MHC raised issues in relation to premises and fitness of purpose in terms of Health & Safety, Fire safety and Ligatures Risks as well as accommodation configuration and access to communal space associated with the centre. This regulatory compliance issues escalated to the point where the MHC set an action that the centre be closed to admissions and transfers. As a result, the current position is that the centre is restricted to an occupancy capacity of 10 beds from a maximum capacity of 18.

CH04 requested Estates to proceed with a refurbishment project in order to rectify the issues identified and to take all necessary steps to bring the centre to compliance in the shortest time possible given CH04's commitment to the MHC that the issues identified would be addressed as a matter of urgency.

Construction tenders for the project were received in February 2022 (see tender results below). Subsequently, despite engagement with Estates, both the lowest tender and the second lowest tenderer formally withdrew their tenders due to a shortage of resources brought about by other project commitments and concerns regarding the under-pricing of certain elements of the proposed works.



The third lowest tender was submitted by [REDACTED]. As part of the pre-contract due diligence, Estates have confirmed with [REDACTED] the proposed tender indexation figure (under the public works inflation co-operation agreement) at [REDACTED] have also agreed to complete required asbestos removal works which equate to [REDACTED]. These figures have been reviewed by the project Quantity Surveyors and, while the tender contract sum was higher than the first two tenders received, this sum, along with the inflation indexation figure and asbestos works figure have been deemed value for money in the current market as noted in the tender report produced. Please note that owing to the initial financial checks on the returned tenders being completed by the project QS, discussions with the lowest contractor did not commence until April 2022. Subsequently, significant time was expended in protracted negotiations with three separate contractors in order to agree the engagement at the tender price and to agree for inflation indexation for the construction works (under the public works inflation co-operation agreement) along with the contractor confirming supply chains for long-lead items. Under procurement procedures, these contractual discussions could not happen in parallel and had to run concurrently resulting in a protracted time between tender and final agreement.

Estates are recommending entry into this construction contract with [REDACTED] for the proposed construction works in order to address the facility's serious infrastructural issues and to ensure a safe, compliant environment for mental health residents of the centre. CH04 have also given assurances to the MHC that a contractor would be appointed as soon as possible. The completion of the improvement works will result in the centre's bed capacity returning to 18.

**Highlight any implications that the Board should be made aware of in its consideration such as;**

- **Current status**  
Awaiting Board Approval on this paper
- **Budget**  
The proposed total project budget, including construction, equipping, design team fees and other costs, [REDACTED] and this has been provided for within the Capital Plan.

- **Programme**

Subject to HSE board approval the contractor expects to be in a position to commence construction in Jan 2023 with the contract works to be completed in phases. While phases of work will be completed and handed over during 2023/2024, overall completion is expected in Q3 2024

- **Resources**

Improvement works will not impact on the centres resources.

- **Impact to delivery of services**

The facility, in design and in execution, will ensure care values including individual dignity, privacy and safety in a mental health care environment. The overall environment will support the attainment of optimal therapeutic outcomes for those in receipt of care at the facility and will ensure compliance with Mental Health Commission requirements for the delivery of mental health care in a safe environment.

- **Corporate Plan**

Aligns with HSE Corporate Plan & Service Plan for the delivery of safe patient centred care.

- **Sláintecare**

In line with Sláintecare Report 2017 & Sláintecare Implementation Strategy 2018.

- **Social factors** (e.g., impact on specific area such as the elderly, disabilities)

The facility will provide a safe and appropriate environment for the care required by the mental health residents of the facility. It will support mental health service delivery and contribute to attainment and maintenance of best practice in all aspects of the care provided.

- **Technological factors**

Not applicable

- **Legal factors**

Not applicable

### **Sustainability**

While the focus of the improvement works is to provide a safe environment for mental health clients being treated at the Carraig Mór mental health facility, the proposed improvement works will improve the existing centres energy performance and will ensure compliance with the energy performance requirements of the revised Building Regulations Part L for such refurbishment work projects.

### **Value for Money**

The procurement of the proposed improvement works construction contract has been competitively tendered and, based on the review completed by the project Quantity Surveyor, provides the HSE value for money, given recent significant construction cost inflation.

### **Conclusion**

Approval is sought to proceed with the entering into the construction contract for the improvement works to Carraig Mór Mental Health facility as outlined above. Earliest possible approval is requested in light of the needs of the service to provide an environment that is in compliance with Mental Health Commission regulations, and also to reflect the period of time that has lapsed since the project was originally tendered.

### **Recommendation**

It is recommended that the HSE Board approve the entry into the proposed contract, as outlined above.