



HSE Board Briefing Template

Subject: Provision of Contracted Satellite Haemodialysis Unit for UL Hospital Group (Ennis), with

- Fresenius Medical Care (Ireland) Ltd

Maximum ten Year Term €33,177,729

Submitted for meeting on: 26th July 2024

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Why is this information being brought to the Boards attention?

As the value of this proposed contract exceeds €10 million over the contract lifetime, HSE Procurement is now seeking Board Approval as per HSE expenditure guidelines and to ensure that this value is justified and agreed upon by the Board in advance of the proposed contract award.

Is there an action by the Board required, if so please provide detail? Yes, HSE Procurement is requesting Board sign off and approve before the proposed contract finalisation and close out stages commence.

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.

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.

What actions are required by the Board?

HSE Procurement is requesting Board sign off and approval before the proposed contract finalisation and close out stages commence

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

This requirement is for a new contracted satellite haemodialysis unit for Ennis under the governance of ULHG to be located in Ennis (circa 5 km radius of Ennis General Hospital).

The scope of this contract includes the requirement to identify, procure and oversee the commissioning of Satellite Haemodialysis services for the Mid-West Regional Health Area to meet the current and future needs of renal patients in this Region. The Tender was advertised as one Lot.



UHL are currently running both their parent Dialysis unit and their Satellite Dialysis unit at Dock Road facility at maximum capacity. As there has been an increase in the number of patients requiring dialysis in part due to the long-term effects of Covid, the strategy from the Renal Clinical team in University Hospital Limerick (UHL) requires the provision of a 2nd Satellite Unit. It is intended that this satellite unit will service approximately [REDACTED] patients initially, with patient numbers anticipated to rise to up to [REDACTED] within the lifetime of contract. The required capacity for the new satellite unit is [REDACTED] patients after [REDACTED] years.

A satellite haemodialysis unit typically provides the following core services:

- Consultant-directed medical care for chronic haemodialysis patients;
- Nurse-delivered/supervised haemodialysis delivery and care with regular Consultant Led reviews;
- Regular dietetic review and support;
- Other clinical support as required;
- Administrative support.

The HSE intends to award this contract to a Single suitably qualified supplier as it is the most appropriate supply/service strategy to meet the needs of service users who have a requirement for haemodialysis service in this region.

The process undertaken was via means of two stage tender process under Annex XIV of Procurement directives 2014/24/EU. The Competition was published on both the Official Journal of the European Union and e-Tenders.

Four Expressions of Interest were received:

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

[REDACTED] did not meet the minimum requirements required at EOI stage and were disqualified. Three Tenderers submitted responses to the ITT.

Considerations:

1.Current status:

Both UHL Dialysis Unit and the current Dialysis Satellite unit at Dock Road are at full capacity.

2. Budget and Resources implications:

Failure to implement, manage and monitor this contract by the Parent Renal Unit at UHL could risk higher costs and impact Patient Safety and quality of Life if the current Parent and Satellite Unit have to operate a night shift for Renal dialysis patients.

3. Risk Assessment:

The risk to both the service provider and service user are substantial if we cannot a secure dialysis services in the region.

4. Impact to delivery of services

This Agreement is essential to ensure that the proper elements and commitments are in place to provide dialysis services in the region.



5. Legal factors:

Potential liability for not providing both product and services to dependent service users.

Value For Money:

The budget for this Contract will not be drawn down for at least 18 months as the new unit will require full planning permission, building and commissioning before it goes live, so the increased cost is taking into account medical inflation for the next 12 years (18 months plus 10 year contract).

While the lowest tendered price is [REDACTED] higher than the last comparable tender, which was done [REDACTED] years ago (a green field site for a new satellite unit in Galway in 2018), this should be considered against an increase in the Medical inflation rate of [REDACTED] per year for the last [REDACTED] years (as evidenced by the annual rise in Health Insurance premiums).

This service is in line with National Renal Office strategy to expand capacity and provide treatment closer to Service User's home. It will provide a contract for up to 10 years, facilitating haemodialysis treatments in Ennis and the surrounding Region.

The commissioning of this satellite unit will result in a reduction in transport related costs, such as taxis from the Ennis Region to UHL and the Dock Road Satellite Unit, which will in turn reduce patient travel times. The Tenderer will also facilitate holiday dialysis whenever possible thus allowing Dialysis patients to take holidays overseas.

These service improvements will result in an increase in patient's quality of life.

The envisaged contact duration will be seven (7) years with possible extensions of (3) three (3 x 12 month), totalling 10 years maximum with a contract value of €33,177,729 (including VAT @ 23%). Annual value Year 1 & 2 is €2,618,177 incl. VAT and Annual value Year 3 to 10 is €3,492,672 incl. VAT. **7 year value of initial term is €22,699,714**

Conclusion: Following a compliant procurement process, we request approval for a contract for the Provision of a Contracted Satellite Haemodialysis unit for Ennis under the governance of ULHG to be located in Ennis HSE 19800.

Approval is required to ensure that this Contract can meet the needs of service users who have a requirement for haemodialysis services in this region.

Recommendation:

HSE Procurement is recommending the award of this proposed contract to

- Fresenius Medical Care (Ireland) Ltd

With Board approval and sign off HSE Procurement will commence the contract close out stages.