



Feidhmeannacht na Seirbhíse Sláinte
Health Service Executive

HSE Board Briefing Template

Subject: [REDACTED] Development at University Hospital Limerick.
Submitted for meeting on: 8 March (EMT), 10 March (ARC), 25 March (Board) 2022
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 contract is valued above €10m.
Is there an action by the Board required, if so please provide detail? This transaction was approved at EMT and ARC, it is recommended that the HSE Board approve the contract award, for the construction of a [REDACTED] University Hospital Limerick [REDACTED] [REDACTED] The cost of the contract is [REDACTED]
Please indicate which of the Board objectives this relates to; <ul style="list-style-type: none">▪ The development and implementing of an effective Corporate Governance Framework, incorporating clinical governance and a performance management and accountability system; X▪ Developing a plan for building public trust and confidence in the HSE and the wider health service; X▪ 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; X▪ 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 cost of the contract [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. University of Limerick Hospital Group (ULHG) provides acute services across six hospital sites in the Midwest. All sites function as a single hospital system, providing emergency, surgical & medical services on an inpatient and outpatient basis for a population of 390,000 people in Limerick, Clare & North Tipperary. Within the group, University Hospital Limerick (UHL) is the designated Model 4 hospital site for the region providing the only emergency department services and critical care services for the entire region. The hospital has 530 inpatient beds.

The Emergency Department at UHL is one of the busiest in the country with increasing presentation numbers and some of the longest Patient Experience Times (PET) in ED for the country. There is also an increase in the acuity of patients presenting and in the age profile.

There are significant issues arising with regard to the quality and condition of much of the current inpatient ward accommodation at the hospital. This significantly inhibits the hospital's ability to provide the environment to enable the required level of care to meet patient needs and to comply with current SARI / HTM guidelines and various national standards and guidelines of relevance to inpatient accommodation. Progress has been made in recent times with new critical care inpatient facilities, a new 60 bed inpatient block and a new 24 bed inpatient ward delivered. However, significant further new replacement bed capacity needs to be provided at the hospital.

The UHL campus has a well-defined masterplan designed to accommodate significant infrastructural developments. This includes the identification of a site for the relocation of the maternity hospital to the campus. It also includes a multi-storey development location for upgrading the existing acute hospital to include new single room ward accommodation within a number of new blocks envisaged as a phased development. The current proposed works are part of a sequential development approach to address the overall infrastructural deficiencies on the campus. The current service strategy is to utilise these [REDACTED] so that the number of beds in the old wards can be reduced.

Tender Process

The project is a traditional build contract where the building works were firstly scoped and designed by the employer. The works were then procured in accordance with EU public procurement requirements using the restricted procedure. This is a two stage process where interested parties initially complete a suitability assessment questionnaire (SAQ) and short listed applicant subsequently submit their tender bids. The successfully tender is then determined in accordance with the award criteria which are used to identify the most economic advantageous tender (MEAT).

The form of contract in this instance is the Public Works Contract for Building Works designed by the Employer (PW-CF1)

The project titled [REDACTED] at University Hospital Limerick (UHL)" was publicly advertised on eTenders (RFT 195177) and the Official Journal of the European Union (the OJEU) Ted reference 2021/S 146-384599 on 28 July 2021 seeking expressions of interest from suitable contractors.

Interested contractors were invited to return a completed Suitability Assessment Questionnaire (SAQ) The SAQs were then assessed. This assessment resulted in a panel of suitable shortlisted main contractors being formed to tender for the works. In this case there were six applicant firms with four firms shortlisted namely:

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

These four contractors were sent invitations to tender on 8 November 2021. [REDACTED]

[REDACTED] A summary of the tenders returned is attached below.

Figures are exclusive of VAT

Tenderer	Amount of Tender	Ranking
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[REDACTED]

[REDACTED]

[REDACTED]

Following receipt and analysis of returned tenders [REDACTED] was determined to be the MEAT tenderer. The HSE appointed design team have carried out their due diligence and recommend acceptance of the [REDACTED]

The works, if awarded to [REDACTED] would commence by Q3 2022 and be due completion within 24 months.

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

- **Current status**
Awaiting Board Approval
- **Budget**
The funding for this project has been included in the HSE Capital Plan 2022. The total estimated project cost [REDACTED] This project cost includes construction cost, design fees, equipping, contingency and other costs associated with the project including VAT.
- **Source of Funding**
The capital funding for project is included in the HSE Capital Plan 2022. Capital funding will be required in 2023 and 2024 and the project will be cash flowed accordingly in the HSE Capital Plan.
- **Programme**
The programme for the construction works if approved would be 24 months from the commencement date anticipated to be Summer 2022 with completion by Summer 2024.
- **Resources**
This project will provide both [REDACTED]
- **Impact to delivery of services**
The provision of [REDACTED] will improve compliance with infection prevention and control standards. The additional bed capacity will improve ED admission times for inpatient beds.
- **Corporate Plan**
Aligned with HSE Corporate Plan & Service Plan
- **Sláintecare**
Aligned with Sláintecare on delivery of services.
- **Social factors (e.g., impact on specific area such as the elderly, disabilities)**
The provision of [REDACTED] all designed to modern standards will significantly improve the quality of care for many patients who are currently cared for in multi bedded rooms which is undignified and difficult for relatives visiting their loved one at this time. In addition, the new wards will address other deficiencies in existing wards such as toilets and support facilities and the additional capacity should alleviate some of the overcrowding issues in the ED.
- **Technological factors**
Not applicable.
- **Legal factors**
The standard Public Works Contract for Building Works designed by the Employer (PW-CF1) is being used.

Sustainability

The new ward block is designed to the required standards for energy efficient design.

Value for Money

The works have been competitively tendered and the tenders received reflect the current market rates for this type of project. The design team have identified a number of areas that have impacted on the high tender return figures received. The works are highly complex given the location and type of the construction and would not be comparable with traditional build type [REDACTED]. The scope includes for mechanical ventilation to all patient rooms for example, new chiller plant and new standby generator capacity. There are also significant interface works with the existing hospital included.

The global pandemic has had an enormous impact on supply chains with resultant hyperinflation in recent times. Cost drivers such as raw material availability, global shipping, stimulus packages, labour disruption and Brexit continue to have an impact. The global steel market remains extremely volatile where this project has a significant steel requirement being of steel frame construction. Tenderers are particularly cognisant of the commercial risks of potential further price increases during the two-year construction period up to mid-2024 which they have had to consider in formulating their priced offer. [REDACTED]

[REDACTED] largely being carried out in 2023/early 2024.

Conclusion

Not applicable.

Recommendation

It is recommended that the HSE Board approve the contract award transaction outlined above.