



HSE Board Briefing Template

Subject: Proposed Award of Contract – Respiratory Assessment Unit, Midland Regional Hospital, Portlaoise.

Submitted for meeting: 8 November (EMT), 10 November (ARC), 25 November 2022 (Board)

Why is this information being brought to the Board attention?

Approval of the Board members is required as the contract is valued above €10m (excl. Vat.)

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 proposal to award a contract for the construction of a new Respiratory Assessment Unit as an extension to the existing Emergency Department, and associated site works, at the Midlands Regional Hospital, Portlaoise, to [REDACTED]

The total value 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 healthservice;
- 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 the Board's objectives.

The cost of the works 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.

This Project was initiated in May 2020 by way of response to the Covid-19 pandemic. Whilst the primary objective of the project was to expand the existing Emergency Dept., by way of a Respiratory Assessment Unit (RAU), to deal with additional Covid-19 case numbers, the proposed extension is also designed to alleviate the prevailing shortcomings within the existing Emergency Department.

To this end, the design has been 'future-proofed' in that it provides for enduring use **beyond** the Covid-19 pandemic. i.e. it provides a footprint that will accommodate a fit-for-purpose Emergency Department for Midland Regional Hospital Portlaoise, post Covid-19.

The design also maximises the use of the site by incorporating a second storey in order to make optimal use of the development potential of the site on which it is located.

The project was procured under emergency Covid-19 Legislation (Emergency Measures in the Public Interest (Covid-19) Act 2020 and Health and Criminal Justice (Covid-19) (Amendment) Act 2021).

This emergency legislation provided for the employment of service providers and contractors without the need for competition, with a stipulation to ensure Value for Money (VFM) as far as possible.

With respect to Design Works, The HSE engaged a Design Team with previous knowledge and experience of the site. The Design Team was appointed on the basis that they agreed to hold their existing market derived rates (from an existing project at the hospital on which they were employed) for this particular project. This approach sought to ensure a speedy response as the team was already engaged on-site, having been previously assessed for competency. The team was engaged at the same market rates on which they won the previous tender.

With respect to the Building Works, and to achieve best VFM in respect of the works, the tendering procedure employed for this project was that of an invited process, restricted to three selected contractors, all of whom had previously worked on the site and were assessed to be of sufficient size and financial standing to carry out the works.

The tendering process was carried out as two competitions. Tenders for the General Builders Main Contract works (Competition No.1) were sought from the pre-selected tender list in August 2021.

Tenders were received from two of the shortlisted three contractors as detailed in the table below:

Ranking	Contractor	Amount of Tender (excl VAT)
1	[REDACTED]	[REDACTED]
2	[REDACTED]	[REDACTED]
3	[REDACTED]	[REDACTED]

The Main Contract included provisional sums in respect of the following sub-specialist installations

- Mechanical Services Installations;
- Electrical Services Installations
- Medical Gas Services installations

The structure allowed the detailed design for the Mechanical & Electrical & Medical Gas Services packages to progress in parallel, with a view to fast-tracking the overall project process.

Tenders for the specialist installations listed above (Competition No.2) were sought from pre-selected specialist sub-contractors through the preferred Main Contractor, [REDACTED]

Following receipt of specialist tenders, the original provisional estimated sums included in the Main Contract Tender were adjusted to reflect the actual bids received for each of the three specialist sub-contractor elements. This resulted in an adjustment of [REDACTED] to the Main Contract tender.

Two other costs are reflected in the overall project recommendation:

- Related site access and infrastructural works in the sum of [REDACTED] have been incorporated, and
- An inflation allowance is made in accordance with the OGP "Inflation Supply Chain Delay Co-operation Framework Agreement", in the estimated sum of [REDACTED] over the contract period.

Total contract costs are summarised below:

Description	Amount (ex VAT)
Main Contract Lowest Tender	██████████
Adjustment for specialist Sub-contractor works	██████████
Additional entrance & infrastructural works	██████████
OGP Inflation measures – “Supply Chain Delay Co-operation Framework Agreement”	██████████
Total Cost of Contract Award (ex VAT)	██████████

It is now proposed to award a single contract to ██████████
██████████

The total Project Cost, including construction, design team fees, equipping and other costs is ██████████
██████████

This project is urgently needed to support the delivery of services in Midland Regional Hospital Portlaoise. The addition of the RAU and ED extension as designed will greatly improve the hospital and enhance patient safety and patient experience into the future.

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

▪ **Current status:**

The contractor is currently employed on-site on other works, and is available to commence the RAU project immediately on contract award following board approval.

Budget:

The Quantity Surveyors Report Summary states: *“In summary we believe that we have a very keen tender from a contractor who is currently on site, knows and understands the hospital environment they are working in, and who are very keen to commence the RAU main contract. This knowledge is invaluable as there are very many services runs currently running under the footprint of the building...”*.

“We are satisfied that the project was tendered competitively to a group of contractors and that the lowest tender received represents excellent value for money”

The funding to progress this project has been included in the HSE Capital Plan. The total estimated project cost is ██████████ This project cost includes construction cost, design fees, equipping, contingency and other costs associated with the project including VAT.

▪ **Resources:**

The existing development will be resourced within existing staffing levels.

▪ **Programme:**

Should the Board issue approval the works will take 14 months to complete.

▪ **Impact to delivery of services:**

The existing ED is over-crowded, conducive to infection spread, and generally not for-for-purpose. The proposed development is required to meet the following:

- HIQA National Standards for Safer Better Health care 2012,
- HIQA National Standards for the prevention and control of healthcare-associated infections 2017,
- Acute Hospital Infection and Prevention Control Precautions for Possible or confirmed Covid-19 in a Pandemic Setting 2022.
- Provide space to address the consistent over-crowding in the ED. The ED in MRHP has experienced a significant rise in ED attendances, +10% year to date; the current infrastructure is under extreme capacity pressure, with frequent situations where there are no available space to review and treat patients who present.

- **Corporate Plan**
Aligned with HSE Corporate Plan & Service Plan
- **Sláintecare:**
Project is in-line with Sláintecare objectives
- **Social factors:**
Provides better healthcare services to the catchment area.
- **Technological factors**
N/A
- **Legal factors:**

[REDACTED]

Sustainability:

The Project has been designed in accordance with current Sustainability Guidelines and Legislation.

The RAU 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 HSE believe the existing tender represents the best VFM

Conclusion

This project is urgently needed to support the delivery of services in Midland Regional Hospital Portlaoise. The addition of the RAU and ED extension as designed will greatly improve the hospital and enhance patient safety and patient experience into the future. The hospital has confirmed that the recommended works are an appropriate solution to meet the service need. The design team advise that the recommended tender represents value for money.

Recommendation

It is recommended that the HSE Board approve this proposal as outlined above.