



HSE Board Briefing Template

Subject: Contract Award – Outpatients Department (Phase 1) at Merlin Park University Hospital Galway.

Submitted for meeting on: 13 September (EMT), 16 September (ARC) and 30 September 2022 (Board).

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Why is this information being brought to the Boards attention?

Approval of the HSE Board members is required as the contract value is 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 award of a contract for the construction of an Outpatients Department (Phase 1) at Merlin Park University Hospital Galway to [REDACTED]

The cost of the works contract is € [REDACTED] (excluding VAT).

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 works contract is [REDACTED] (excluding VAT). 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 primary purpose of the proposed new Outpatient Department is to provide appropriate facilities for identified outpatient services in line with the best international practice for Saolta Hospital Group at Merlin Park University Hospital. The new building would generally replace existing poor quality temporary/ modular buildings at University Hospital Galway (UHG) which are to be demolished. These buildings are currently in the way of the proposed new multi-storey Emergency Department and Women's & Children's Block at UHG. There is a requirement to clear the site to enable the future redevelopment of that hospital. Many of the outpatient clinics currently delivered from these facilities will relocate to Merlin Park along with other identified clinics. The original outpatients building at UHG will remain in use and some specialist clinics will relocate to that building as part of an overall reconfiguration of outpatient services. The proposed project has been identified as the appropriate solution to meet service needs for the hospital group and will significantly enhance the delivery of outpatient services. The proposed works on both UHG and MHP campuses are aligned to the master plan objectives for both hospital sites. Plans for elective hospitals form a separate piece of work underway at

national level. This proposal is to generally deal with existing outpatient infrastructural deficits and does not preclude any future decisions in terms of what services might be included in the elective hospital initiative.

The proposed works comprise of the construction of a two-storey Outpatients Department (Phase 1). The new facility will provide 43 Consulting/examination/treatment rooms, virtual clinic rooms, staff support areas and ancillary accommodation. The building will be approximately 2,325 sq. m on a greenfield site located on HSE lands at Merlin Park University Hospital Galway. The works also include a new surface carpark (88 Spaces), bicycle parking (12 spaces) footpaths, street lighting, landscaping, signage and associated site development works. There is also the potential with the current scheme for further phases of development to expand outpatient capacity on the Merlin Park site.

Tender Process

The building work requirements were carefully scoped and fully designed by the employer in advance of tendering. The works were then procured in accordance with EU public procurement requirements using the open procedure. This is a single stage process where interested parties submit both a suitability assessment questionnaire (SAQ) and their tender bids. Applicants who meet the SAQ minimum criteria then have their bids evaluated. 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 was publicly advertised on the 9th June 2022 on eTenders. Tender return deadline was 27th July 2022.

Tender Evaluation

A total of eight submissions were received with six of these submissions meeting the minimum SAQ criteria. These six submissions were then evaluated and the respective cost and quality marks were collated for each to determine the Most Economically Advantageous Tender (MEAT).

The following is a cost summary of these six bids:

Tenderer	Amount of Tender (ex VAT)	Amount of Tender (incl. VAT)
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

The following is a summary of the marks awarded for both cost and quality along with the total marks awarded to each bid.

Contractors	Cost (700)	Quality (300)	Total (1000)	Rank
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

The Most Economically Advantageous Tender (MEAT) has been determined to be the tender submitted by [REDACTED]. The HSE appointed design team have carried out their due diligence and recommend acceptance of the [REDACTED] tender for [REDACTED] excluding VAT.

The works, if awarded to [REDACTED] would commence during Q4 2022 and be due to be completed in Q4 2023.

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

▪ **Current status**

Awaiting Board Approval to appoint the Works Contractor

▪ **Budget**

The funding to progress this project has been included in the HSE Capital Plan 2022. The total estimated project cost is €15m inclusive of VAT. 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 primarily in 2023 with a minor funding requirement also in 2024 and the project will be cash flowed accordingly in the HSE Capital Plan.

▪ **Resources**

There will be a transfer of existing staff from outpatient services at UHG with some additional WTE's (clerical, nursing & support services) envisaged.

▪ **Impact to delivery of Services**

The new outpatient facilities will greatly enhance service delivery with improved workflows and a much better environment for both patients and staff.

▪ **Corporate Plan**

Aligned with HSE Corporate Plan & Service Plan

▪ **Sláintecare**

Aligned with Sláintecare on delivery of acute services.

▪ **Social factors**

The provision of new outpatient facilities designed to modern standards will significantly improve the quality of care for many patients and assist Saolta Hospital Group to meet the HSE Key Performance Indicator for outpatient waiting times which is 80% of people waiting < 52 weeks for first access to OPD services.

▪ **Technological factors**

ICT linkage to be provided for a progressive outpatient's service including telemedicine booths.

▪ **Legal factors**

The standard Public Works Contract for Building Works designed by the Employer (PW-CF1) is being used.

Sustainability:

The OPD (Phase 1) 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* (NZE) 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 type of project. The Most Economically Advantageous Tender (MEAT) namely the tender submitted by [REDACTED] is very closely aligned with the pre-tender cost estimate and represents value for money in the current market.

Conclusion:

This project is urgently needed to support the delivery of outpatient services in Galway. It is recommended as the appropriate solution to meet the service need.

Recommendation:

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