



## HSE Board Briefing

**Subject:** Contract Award for new Community Nursing Unit to provide 60 replacement Beds at Merlin Park University Hospital Campus

**[Capital Plan Ref 1387, IO 6103562]**

**Submitted for meeting on:** EMT [13 February] ARC [19 February] and Board [20 February 2024]

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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 is valued above €10m.

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

It is recommended that EMT, and thereafter ARC and the HSE Board, approve the contract award for the construction of a 60 bed Community Nursing Unit in Merlin Park University Hospital Campus, to [REDACTED]

The cost 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 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 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.**

The existing Residential Beds for Older People at Merlin Park University Hospital (MPUH) are accommodated in Units 5 & 6. These buildings were built in the early 1950's as part of a tuberculosis hospital. There are 52 residential places between the two Units with 16 single rooms and 36 beds in multi-occupancy rooms. The existing buildings are currently at end of life and now require complete renovation and reconfiguration at considerable cost and with a significant reduction in bed numbers if compliance is to be achieved.

The HIQA Report on Units 5 & 6, Merlin Park published in April 2017 cites the Merlin Park buildings as non-compliant. A new 60 Bed Residential Care Unit is required on the grounds of Merlin Park University Hospital to replace the existing 60 beds at Merlin Park, [REDACTED] meet the National Quality Standards for Residential Care settings for Older People and to comply with the Health Act

2007 with regard to long stay residents to ensure continuing registration.

### Project Development

The project was originally developed as part of the National (Public Private Partnership) PPP bundle of CNU programme instigated in 2018/19. In the initial PPP bundle 11 locations were identified, 7 of which progressed. The Merlin Park site was one of the 4 sites that did not progress and was removed from the bundle due to the delays with its planning application process. A Cost Benefit Analysis completed by Deloitte in 2019 identified Exchequer funding as a viable alternative delivery option for the project alongside the then preferred PPP method. The project has been developed from Stage 2b as a stand-alone capital funded project. The accommodation and design for this unit generally follows standards agreed nationally for this bundle.

The site for the new 60 bed Community Nursing Unit, comprising circa 1.26 Hectares, is located in the north east corner of the Campus behind the existing single storey Unit 10. The Gross Floor Area of the CNU building is c. 5,100sq.m.

The new centre will be made up of one 10 bed Dementia Household and two 25 bed households with the households laid out around courtyards. The overall building is two storey. There will be central entrance area containing the reception, lobby and foyer, reflection room, hairdresser room, clinical treatment room, visitor's room and family overnight accommodation. Each 25 bed household will have 23 single rooms and one twin room. Each household will have its own dayroom, activities room, dining room and kitchen/pantry area.

The dementia unit is a self-contained household, specifically designed with dementia care in mind and comprising 10 single bedrooms with dining, day and activity rooms.

The project originally formed part of a national PPP bundle of CNUs and the accommodation and design generally follows standards agreed nationally for this bundle.

An enabling works project comprising diversion of services and demolition and replacement of existing structures on the site, was completed in 2022/23. The location will facilitate future expansion if required as the adjacent Unit 10 is also approaching end of life.

### Tender Process

The project is a traditional build contract for building works designed by the employer. It was procured under an EU restricted tender process to identify the most economically advantageous tender. The project was publically advertised (e-Tenders ID RFT 217886) seeking expressions of interest from suitable Contractors.

Interested contractors were invited to return a completed Suitability Assessment Questionnaire (SAQ). The SAQs were assessed by the HSE appointed Design Team and eight contractors were successfully prequalified for the project and were invited to tender. Five tenders were subsequently received and a summary of the tenders returned is outlined below.

Tender Prices Received:

The assessment was undertaken on 80/20 price quality split.

Rank	Name	Main Contract Tender Sums (excl. VAT) (80%)	Quality Score (20%)	MEAT Index
1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
2	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]


[REDACTED]

In accordance with the Award Criteria set out in the Tender Documents, the Most Economically Advantageous Tender is [REDACTED]. A full analysis of the [REDACTED] tender has been undertaken. A number of queries were raised and responded to in full and to the satisfaction of the Design Team. Following conclusion of the evaluation process, [REDACTED] has been determined to be the Most Economically Advantageous Tender (MEAT).

The HSE appointed design team have carried out their due diligence and recommend acceptance of the tender for [REDACTED] which, as outlined above is less than the PTE.

**Current status**

Awaiting Board approval to appoint Works Contractor.

**Budget**

The funding for this project has been included in the HSE Capital Plan 2023/24. The total estimated project cost is [REDACTED] for the design, construction, equipping, contingency, enabling works and other costs associated with the project.

**Resources**

The new unit will be staffed from within existing WTE numbers.

**Impact to delivery of services**

This proposed redevelopment is required to provide compliant, replacement beds to meet the (HIQA) National Quality Standards for Residential Care Settings for Older People and to comply with the Health Act 2007

**Corporate Plan**

This proposal is aligned to the HSE Corporate Plan Objective 2 *‘Enhance primary and community services and reduce the need for people to attend hospital’* and is aligned to priorities listed in the National Service Plan 2024 and key priorities of the Department of Health *‘Statement of Strategy 2021-2023’*.

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

The elderly long-stay residents will be cared for in a new fit for purpose unit with significant improvements for residents in the enhanced environment.

**Technological factors**

N/A

**Legal factors**

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

**Sustainability**

The 60 Bed CNU 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 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 works contract has been competitively tendered and the tenders received reflect the current market rates for this scale of project in the area. The Most Economically Advantageous Tender (MEAT) namely the tender

submitted by Conack Construction has been evaluated by the Design Team as representing value for money in the current market.

**Consultation – provide an outline for the Board of what service area have reviewed and support this proposal e.g. REO/SLT.**

This proposal has been agreed and supported by National Services for Older Persons as part of overall national HIQA compliance works programme.

**Conclusion**

Not Applicable

**Recommendation**

It is recommended that EMT, and thereafter ARC and the Board approve the proposal as outlined above.