



HSE Board Briefing

Subject: Contract Award for construction of Galway Surgical Hub at Merlin Park University Hospital, Galway
(Capital Plan Ref 10674a, IO 61004325)

Submitted for meeting on: EMT [23 January] ARC [25 January 2024] and Board [26 January 2024]

Name & title of author: Patrick Lynch, A/Chief Strategy Officer

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 award of a contract to [REDACTED] a [REDACTED] For the design and construction of the Galway Surgical Hub at Merlin Park University Hospital, Galway.

The cost of the construction contract is [REDACTED]

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.

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.

This investment and development proposal aligns to the implementation of the Sláintecare Implementation Strategy by providing greater separation between emergency and elective care to reduce wait times for day case procedures.

The cost of the Design and Build (DB) 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.

In December 2022, the Minister for Health announced the development of 6 new surgical hubs nationally due to be located in Galway, Cork, Dublin North, Dublin South, Waterford and Limerick. These hubs will, where possible, use rapid build construction to allow them to be delivered quickly.

They will be separate facilities with separate resources to ensure that time, and the facilities themselves, are protected for elective care. They will consist of operating theatres, procedure rooms, recovery spaces, OPD spaces and support accommodation. Where capacity allows, and does not impact delivery time, allowance is to be made for the provision of radiology services.

Long waiting times existed before the pandemic and a 'stop/start' model was used for elective surgery, where operations were cancelled or postponed in response to unscheduled care pressures. There is a clear challenge in relation to demand versus capacity, with waiting lists growing substantially over the past number of years.

A key strategy to help avoid the cancellation or deferral of elective activity, such as planned operations, is to create surgical hubs. This creates greater separation between resources that support elective activity and those used for unscheduled and emergency services.

Programme objectives:

The provision of purpose-built surgical hubs will provide timely care to patients, giving them the right treatment, at the right time, in the right location. The objectives of the **Programme** are to:

1. Provide standalone and ring-fenced facilities for day elective services ensuring designated access to operating theatres and related facilities.
2. Reduce waiting lists to meet Sláintecare targets.
3. Reform and redesign the existing system to efficiently manage elective surgical cases, to optimise throughput of the facility.
4. Improve access to care, with streamlined patient pathways to meet the needs of the population.

This project is distinct and separate from the Elective Hospitals, but close alignment will be ensured throughout planning and operationalisation. The proposed Galway surgical hub will support the provision of services to the population of Galway, Portlincera, Roscommon and Mayo UH (South Mayo).

Tender Process:

The Galway Surgical Hub is a new build, leveraging existing planning permission to expedite the process. It was procured under an EU two-stage restricted tender process to identify the most economically advantageous tender. The project was publicly advertised (e-Tenders ID CFT 1977841) 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 three contractors were successfully prequalified for the project and were invited to tender. One tender was received, following the voluntary withdrawal of two of the contractors. A summary of the tender returned by the deadline of Tuesday, 7 November 2023 is outlined below.

Tender Received:

Contractor	Tender Amount €	Index
[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.

Contractor	Price	Quality	Total Amount €
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

A full analysis of [REDACTED] tender has been carried out. A number of queries were raised by the HSE appointed Technical Advisor (TA) Team during post-tender clarifications. The evaluation process has been concluded by the Evaluation Panel and the tender submission by [REDACTED] has achieved a score which would qualify as a 'very good response.' As the only pre-qualified candidate to submit a tender, their bid is determined to be the Most Economically Advantageous Tender (MEAT). The HSE appointed Technical Advisory (TA) Team is recommending acceptance of the tender [REDACTED] in the sum of [REDACTED].

[REDACTED]

This project is recommended as the appropriate solution to meet service needs and approval is sought to award the tender as outlined above.

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

Current Status

Seeking board approval to appoint Design and Build Contractor

Budget

The funding for this project has been included in the HSE Capital Plan 2024. The total estimated capital cost of the project [REDACTED] (incl. VAT) including costs for Design Build construction contract; equipping; Technical Advisory (TA) service and other costs (surveying, enabling and statutory fees;) associated with the project.

Resources

The new units will be staffed from additional WTE numbers, or as allowed for within the HSE National Service Plan, to bring the new units into use and to provide elective additional capacity.

Impact to delivery of services

The Sláintecare Report published in May 2017 set out a vision for improved access to care and committed to achieving the following access targets: 10 weeks for a first outpatient appointment, 12 weeks for an inpatient or day case procedure and 10 days for a diagnosis. While positive progress was achieved in reducing the number of patients waiting for an inpatient or day case procedure between 2017 and 2019 (c.12% reduction), the COVID-19 pandemic significantly disrupted elective hospital treatment, affecting the number of surgical procedures and other therapeutic interventions undertaken.

To reduce inpatient and day case waiting list backlogs in the short term (by end of 2026) and support progress towards the Sláintecare targets, the surgical hub model has been proposed in Ireland as part of the wider reform of scheduled care. This model is aligned to the Sláintecare vision and focuses on increasing separation between emergency and elective care and protecting elective capacity to reduce waiting lists and waiting times.

Corporate Plan

Fully supports the strategy set out in the HSE Corporate Plan & Service Plan and key priorities of the Department of Health 'Statement of Strategy 2021-2024'.

Sláintecare

Aligned with the central programmes of the Sláintecare 'Implementation Strategy and Action Plan 2021-2023' for delivery of services.

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

Positive impact as outlined in background, including full achievement of the 12-week Sláintecare target for all day case procedures in scope.

Technological factors

An ICT sub-committee has been established to support the surgical hubs and funding will be sought through the ICT capital plan to support associated requirements.

Legal factors

All HSE procurement policies and guidelines will continue to be strictly adhered to throughout this programme.

Sustainability

The proposed Surgical Hub in Galway will be delivered in line with the HSE Performance Specification document. This outlines that the Developer shall provide a building that:

- Meets the performance specifications of the Nearly Zero – Energy Buildings (NZEB) standard in accordance with the revised Building Regulations Part L”
- Will comply with the Governments Climate Action Plan, 2023 and The Climate Action and Low Carbon Development (Amendment) Bill, 2021. For the avoidance of doubt this means the building including the M&E systems will be designed to ensure that a credible pathway to achieve carbon zero status by 2050.

Value for Money

The Design Build contract has been competitively tendered and the tender received reflects the current market rates for this scale and complexity of project in the area. As the only candidate to submit a tender, [REDACTED] bid is determined to be the Most Economically Advantageous Tender (MEAT) and as representing value for money in the current market.

Conclusion

Not applicable

Recommendation

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