



HSE Board Briefing

Subject: National Maternity Hospital at St. Vincent's University Hospital (NMH at SVUH) – Approval to award contract to carry out site preparation and enabling work under a 'Single Operator Framework'.

(Capital Plan Ref 908)

Submitted for meeting on: 21 November (EMT), 17 November (ARC), 24 November 2023 (Board)

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

Why is this information being brought to the Boards attention?

Approval of the HSE Board is required as the overall framework value is above €10m.

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

A procurement process has been carried out in relation to further advanced enabling works to prepare the main development site for the new National Maternity Hospital at St. Vincent's University Hospital campus.

Approval is sought of the EMT, ARC and thereafter the HSE Board to establish a 'Single Operator' Construction Framework (SoF II) to deliver these works. The establishment of the framework provides for an efficient mechanism to deliver a number of enabling works contracts to clear the site of the new Hospital. **The establishment of the framework does not create a commitment to award any or all of the enabling works contracts to the successful tenderer.**

The framework originally anticipated the award of the construction contracts happening in sequence. Due to the passage of time there is now a requirement to award these contracts simultaneously.

The first contract from the framework to be awarded has a contract value of **€4.90m (excl. VAT)**. The works within this contract are time critical and relate to key heating infrastructural upgrades which must be complete by Summer 2024.

Due to the time critical nature of these works it is important that these works commence as soon as possible.

The overall value of the construction framework (SoF II) is **€46.17m** (excl. VAT).

The successful tenderer is Clancy Construction.

Please indicate which of the Board's objectives this relates to;

- 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.

Approval is sought is to establish a 'Single Operator' Construction Framework (SoF II) with an overall value of the framework being **€46.17m** (excl. VAT).

Background - provide context in order to ensure that the Board fully understand the issue.

1. Overall Project

The overall NMH project has achieved Decision Gate 2 approval in line with the Public Spending Code (proceed to tender). Government approval to commence the tender process for the main development works was granted on the 11 July 2023, and this process is now underway.

2. Further Advanced Enabling Works - SoF II

The enabling works to be carried out under the proposed Single Operator Framework are critical to the progress of the new National Maternity Hospital project. The works to be delivered through the framework consist of the following:

- Block N - Mechanical Energy Centre, additional boiler plant.
- Kitchen Canteen and Ward Block – A new structure to house the temporary catering Kitchen, together with facilities to house the staff canteen & the Neurology Ward.
- Medical Records Building - A two storey structure to house the Medical Records Department.
- Block S - Electrical Energy Centre, including Switch Rooms, Generators & Oil Store.

Tender Process

The project was procured under an EU restricted tender process to identify the most economically advantageous tender. The contract will be the Public Works Contract (PW-CF1) for building works designed by the employer.

Interested contractors were invited to return completed Suitability Assessment Questionnaires (SAQ). The SAQ's were assessed by the Design Team, and six main contractors were successfully prequalified and were invited to tender. During the tender process two of the tendering contractors notified the HSE that they would not be submitting tenders due to current work load. Tenders were returned by the remaining four contractors, and the following reflects the final position with respect to the tenders received:

Applicant Name	Tender Value Ex. VAT €	Rank
Clancy Construction	46,171,617	1
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

The Tender evaluation process, including a full analysis of the winning tender, concluded that Clancy Construction were the Most Economically Advantageous Tender (MEAT).

The breakdown of the individual works to be delivered through the framework are as follows:

- Call off 1: Block N Works (critical campus heating infrastructure) - [REDACTED]
- Call off 2: Block S (critical electrical resilience to support existing campus and future development) - [REDACTED]
- Call off 3: Medical Records (located on NMH development site)- [REDACTED]
- Call off 4: Kitchen, Canteen and Ward Block (located on NMH development site) - [REDACTED]

As outlined previously, the establishment of the framework does not create a commitment to award any or all of the enabling works contracts to the successful tenderer.

The first contract from the framework to be awarded (Call off 1) has a contract value of €4.90m (excl. VAT). The works within this contract are time critical and relate to key heating infrastructural upgrades which must be

complete by Summer 2024.

Due to the time critical nature of these works it is important that these works commence as soon as possible. The HSE Board's consideration and approval is now sought to establish the SoF II framework and award the individual contracts as set out above. The contract value for these works is €46.17m (excl. VAT).

The total programme for all four packages of enabling works noted above is ca.21 months.

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

▪ **Current status**

Seeking Board approval to appoint Works Contractor.

▪ **Budget**

The funding for this project has been included in the HSE Capital Plan 2023.

▪ **Resources**

Resources will be unaffected as this is an enabling works contract.

▪ **Impact to delivery of services**

There will be no impact to services on the SVUH campus. Coordination with kitchen services will be required, which is planned as an uninterrupted switchover should call off 4 be awarded.

▪ **Corporate Plan**

Fully supports the strategy set out in the HSE Corporate Plan & Service Plan and aligns with the Government's National Strategy 2016-2026'.

▪ **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)**

This project is a key enabler for the main NMH project. While these works specifically do not generate any direct social benefits they are a key enabler for the main works which clearly do. The strategic co-location alongside acute services at SVUH site will mean that women's healthcare in Ireland will be delivered in a custom-built dedicated facility whilst having access a wide range of sophisticated medical, surgical and diagnostic facilities at SVUH. Designed to 21st century healthcare standards, the NMH at SVUH will provide world class maternity healthcare facilities and it will also be the national centre for neo-natal care.

▪ **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 works include upgrades to the heating systems to the hospital which will enhance the efficiency and capacity of the system, and will support achievement of highest appropriate standards of sustainability on the campus.

Modular construction is being utilised where possible which offers advantages in terms of sustainability due to the materials being proposed. Complementary to the modular systems where possible an embodied carbon reductions have been utilised by reusing the existing building envelope and structures.

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

Conclusion

The enabling decant strategy reflects the proposal as set out in the Final Business Case approved by Government in July 2023 and is fully supported by the Department of Health. The award of works contracts under the Framework (SoF II) and their commencement on site this year is a key step towards advancing the main works and to bringing programme efficiency to the project.

Recommendation

It is recommended that EMT, ARC and the Board approve the establishment of the SoF II framework with a combined contract value of **€46.17m (excl. VAT)**.