



NATIONAL
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Sarah Cremin
Committee Secretariat,
Committee of Public Accounts
Leinster House
Dublin 2
D02 XR20

18th September 2023

Dear Ms. Cremin,

I am writing in response to correspondence from the Committee of Public Accounts reference S1410 PAC 33.

Below please find responses to questions from the Committee of Public Accounts.

1. *“a copy of the outcome of the contractor’s review of the impact of moving the grilles in each of the 11 theatres in the National Children’s Hospital, when the Board became aware of the issue, the cost of the alterations required, whether the alterations will delay the project and why the matter was not acted on in May 2022 when it was first discovered”.*
2. *“what reports, reviews or examinations have been undertaken on the issue concerning the theatres in the hospital, and can copies of same be provided to the Committee”.*

As outlined in correspondence to the Committee on the 21st June 2023, the NPHDB taking learning from other international healthcare projects of a similar scale and complexity commenced a due diligence process in association with STS (advisor to Children’s Health Ireland) and the Design Team in 2017, which is ongoing, to review the design, coordination, construction and commissioning of the specialist ventilation systems within the hospital including the operating theatres. As part of this due diligence process the potential issue with the position of the ceiling grilles was flagged by STS. The Design Team was actioned to respond to the STS report with its opinion on the issues raised as they are responsible for the design of the theatre ventilation systems. This entailed specialist computer modelling to check against guidance stated in the Health Technical Memorandum published by the UK NHS and then later physical testing on site in 2023. On 29th May 2023, BAM with its specialist subcontractors were instructed to engage with the Design Team in a desktop review, to consider an option to move the four ventilation grilles within each of the eleven theatres and to fully understand the outcome of this change, that review is now completed.

A second option to replace the type of grille in its current position has been computer modelled by the Design Team and will be physically tested shortly to verify the computer analysis. Whilst these options are being considered, none have been agreed to date. The NPHDB in association with CHI will decide what

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option is to be instructed to deliver compliant operating theatres in the best interests of the State, it is expected that this decision will be agreed shortly, and further information will be provided to the Committee. Please note that Children's Health Ireland has provided copies of the relevant reports to the Committee by separate cover.

To date none of the operating theatres have been offered by BAM as complete for inspection by the Design Team or commissioned. There is significant work to be completed in these rooms. BAM has been instructed to continue works in accordance with the current design.

3. *"whether a completion programme has been provided that is not compliant and if so, in what way is it not compliant."*

The NPHDB received a new programme from BAM on 18 July 2023 and a progress update of that programme on the 23 of August 2023. The programme is subject to a review by the Employer's Representative (ER) to determine whether the programme is compliant with the Contract. As there are over 40,000 separate activities to be completed over the course of the build and due to the level of complexity and detail involved with a programme of this nature, this review process will take approximately three months to complete. The review is ongoing and initial comments have been exchanged with BAM awaiting a response. Workshops are ongoing.

4. *"what date was it decided to apply the 15% withholding sanction, what date was the contractor was notified and what date was the sanction applied"*

BAM has not delivered on its commitments to manage, resource and deliver its programmes to realise the substantial completion date. The NPHDB has applied all levers available within the Contract to get BAM to deliver on its contractual obligations. In Q3/Q4 2020, the NPHDB withheld payments to BAM as the ER had not received a contract compliant programme.

In June 2023, the NPHDB issued an Employer claim to withhold 15% of the payments due to BAM resulting from BAM's failure to issue a new Programme and four monthly progress reports. This measure was due to come into effect for payments due to BAM for work completed in May and June 2023. BAM submitted a new programme on 18 July 2023 and a progress update of that report on the 23 of August 2023 which is currently being reviewed by the ER. The NPHDB is contractually obligated not to withhold 15% of payments due to BAM until the programme has been determined by the Employer's Representative as either compliant or not compliant with the Contract.

Yours sincerely,



David Gunning

Chief Officer, National Paediatric Hospital Development Board