The new children’s hospital project

Introduction & Project Overview

Chair, Deputies and Senators,

Thank you for inviting the National Paediatric Hospital Development Board (NPHDB) today via video link to provide an update on the construction progress on the new children’s hospital.

I am David Gunning, Chief Officer at the NPHDB and I am joined this morning by Phelim Devine (Project Director) and Dr. Emma Curtis (Medical Director).

The National Paediatric Hospital Development Board was appointed in 2013 to design, build and equip the new children’s hospital on the campus shared with St. James’s Hospital in Dublin 8 and two Paediatric Outpatient and Urgent Care Centres CHI at Connolly, Blanchardstown and CHI at Tallaght.

The nch Project, a government priority, will have a significant impact on the healthcare outcomes of 25% of the population once completed and is the most significant, single capital investment project in the healthcare system ever undertaken in Ireland. It will bring together the services currently provided at the three children’s hospitals into one modern, custom-designed, digital hospital where staff will deliver the best care and treatments to Ireland’s sickest children and young people.

Construction update

The new paediatric Outpatient and Urgent Care Centre, CHI at Connolly is already fully operational – it was opened in July 2019.

It is a priority for the NPHDB and indeed all Stakeholders to open the Paediatric Outpatient and Urgent Care Centre at Tallaght in 2021 and we are pleased to report that we are on target to do that. Members will see from the images distributed as part of the briefing pack that Construction work on the 4,600m2 Centre is nearing an end with a substantial completion date scheduled for September 2021. It will then be handed over to Children’s Health Ireland to open for services after an 8-week period of operational commissioning and equipping.
The works at Tallaght are progressing at pace. Final internal Works comprise placing the final ceiling tiles, completing the painting, commissioning, and testing of the completed mechanical and electrical services, cleaning and snagging.

External works comprise finalisation of pavements and landscaping. The work on the OPD Centre at Tallaght included a significant investment in the Adult Hospital which involves the delivery of a new changing and administration block, a new creche and the upgrade of roads and pavements, car park, and electrical infrastructure.

Progress on the main new children’s hospital is also continuing. The primary concrete frame was completed in March 2021; the infill concrete slabs over the steelwork frame closing in the concourse will complete by August 2021 as will the unitised glazing to the ward block at levels 4 to 6, comprising the colours of the rainbow that you will be familiar with from the design drawings. The Façade to the building will be practically complete by the end of 2021, with the glazed Biome that links the building to complete by Q1 2022. The Fit Out of the South Finger rooms comprising Outpatients, Cardiology Wards and Therapies and the Hot Block rooms comprising Emergency Department, Imaging, Critical Care and Theatres are progressing well. The remainder of the fit out of the North Finger rooms comprising Outpatients, Hospital School, 3rd Level Education, Parent Overnight accommodation and Pharmacy and the Ward block, will commence in the next month.

The primary Mechanical and Electrical Plant comprising boilers; CHP, generators, transformers, main distribution boards and medical gases are well progressed with the focus now on primary and secondary distribution around the building.

Some of the Group 1 medical equipment such as pendants are being installed. The Group 2 equipment comprising automated guided vehicles and clinical decontamination unit equipment is in procurement. The balance of the Group 2 equipment such as MRI’s, CT’s etc will commence procurement in the next quarter.

Sustainability is embedded in the design of the new children’s hospital. The hospital very recently received a BREEAM Excellent Rating in Design and is one of only a small number of hospitals in the world to have achieved such a rating. BREEAM is the world’s leading sustainability assessment method for master planning projects, infrastructure and buildings.

**Wider Construction Sector Challenges**

The global pandemic, Covid 19, has disrupted the construction sector and all its supply chains both nationally and internationally. Unfortunately, the nch project has not been immune to this. In 2020, both the construction site of the new children’s hospital and CHI @Tallaght were closed for a period, following the arrival of Covid 19 to Ireland. In 2021, the sites remained open as essential sites during the 2021 level 5 lockdown. The Contractor introduced extensive health and safety measures which includes weekly screening and PCR testing for all workers. To date more than 5,000 tests have been conducted and I am delighted to say that there hasn’t been any positive case detected on site within the past 4 weeks. This level of focus has enabled the nch site to remain open and is a testament to the contractor’s diligent staff and the health and safety measures put in place. The challenges presented by Covid-19 remain immense and will be with us for the foreseeable future. The focus on health and safety will remain, with the contractor continuing to maintain excellent standards on the site.

It is acknowledged by all stakeholders that Covid and Brexit will likely place pressure on the availability of essential supplies in the market globally. The construction sector is facing challenges related to supply of market essentials as a result of increased global demand and shortages driven by Covid related factory shutdowns, production disruption and inventory depletion. In addition, it is reported that there is a shortage of shipping containers and Brexit-related import delays and constraints. This
is a global challenge, and one that is not unique to the construction sector but one that will have potential impacts on the Project with cost and lead time uncertainty. The contractor continues to work through these challenges and will manage the risk as much as possible.

**Timeline**

As previously outlined to this Committee in November 2020, there are delays to the programme of works in part due to the wider construction sector challenges as just outlined.

We have previously reported to this Committee that we did not have a compliant Works programme from the Contractor. I am delighted to be able to report to the Committee that a compliant programme was submitted by the Contractor in March 21 and has been determined by the Employer’s Representative (ER).

This in itself is a major milestone for the Project. With over 40,000 separate activities to be completed over the course of the build, the Programme details each and every one – ensuring that it is in the right sequence and at the right phase of the build.

By determining the Programme as compliant, the ER has essentially confirmed that it is feasible to complete the construction phase within the timeframe set out. This is only feasible if the Project is executed and resourced efficiently by the Contractor and its subcontractors and if all other external factors, including Brexit and Covid, do not impact on supply issues and goods and services. The compliant Programme takes account of the known delay, and all stakeholders are fully aligned around the goal of opening the hospital in 2024. The NPHDB and the main contractor are engaged in a series of workshops to map out the detail within the Programme to take account of the risks that remain and to take every effort to ensure that the target date can be achieved.

A part of the combined effort to achieve delivery of the Programme within the shortest timeframe possible, all dispute mechanisms have been paused. This moratorium has been agreed between both parties which enables the parties to solely focus all their efforts on ensuring that the new target completion date can be realised. This does not remove the risk of claims, nor does it mean that we won’t continue to receive claims, it does however temporarily take away the time and cost burden of defending those claims robustly.

**Cost**

In December 2018, the Government approved an investment decision of €1.433bn for the project. As communicated to and by Government at the time, this decision excludes items where there was no price certainly and nor can there be for the duration of the project. These excluded items are: construction inflation, statutory changes, any change in scope resulting from healthcare policy changes and the Sectoral Employment Order.

While we now have a compliant programme, the target completion date for the programme is 14 months later than the timeframe upon which the Contract was determined. Any elongation of the programme equates to additional cost.

There are potential cost implications in relation to Covid related delays, costs associated with additional health and safety measures, as well as ongoing Claims issues have the potential to contribute to the overall costs. These matters, as well as those associated with the change to the Programme duration, are currently subject to commercial mechanisms and are part of the live contract that exists between the NPHDB and BAM, the main contractor and therefore I am not in a position to elaborate further at this time as it could compromise our ability to negotiate on behalf of the State at a later date.
There is an extremely high likelihood that any discussion on costs, however hypothetical, would prejudice enforcement of the existing contract and very likely negatively impact or jeopardise our current engagements with the contractor.

Conclusion

The hospital and the OPD & UCC at Tallaght are taking shape. Significant progress has been made as is evident from the photographs and video that we shared.

The Project continues to have challenges, however we are moving forward with a spirit of co-operation with the main contractor and with all of our stakeholders to ensure that this badly needed hospital is delivered as soon as possible.

I look forward to answering any questions that you might have on the Project.