



**CYFARFOD BWRDD PRIFYSGOL IECHYD  
UNIVERSITY HEALTH BOARD MEETING**

<b>DYDDIAD Y CYFARFOD: DATE OF MEETING:</b>	25 November 2021
<b>TEITL YR ADRODDIAD: TITLE OF REPORT:</b>	Modular Solution - Procurement Outcome and Decision
<b>CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:</b>	Andrew Carruthers, Director of Operations
<b>SWYDDOG ADRODD: REPORTING OFFICER:</b>	Shaun Ayres, Assistant Director of Commissioning and Business Partnering

**Pwrpas yr Adroddiad (dewiswch fel yn addas)**

**Purpose of the Report (select as appropriate)**

Ar Gyfer Penderfyniad/For Decision

**ADRODDIAD SCAA  
SBAR REPORT**

**Sefyllfa / Situation**

Due to the ongoing impact of COVID-19, Hywel Dda University Health Board (HDdUHB) is endeavouring to meet the demands of Scheduled Care services over the next several years. The Pandemic has created a significant pressure across HDdUHB.

Scheduled Care services across HDdUHB have been severely restricted, and HDdUHB has faced a number of challenges in maintaining an elective pathway.

The Board agreed in Q4 of 2020/21 to pursue a Modular Solution to facilitate and support the return of Elective services within HDdUHB. The Board endorsed and approved a procurement/tender exercise, with a stipulation of achieving a solution no later than Q4 in 2021/22.

The Board agreed to proceed "at risk" in the absence of a clearly identified revenue/ allocation resource.

**Cefndir / Background**

Pursuant to the requirement set out by the Board, a project management team was established to design a Modular Solution which would support operational planning and delivery.

The project team consisted of multidisciplinary teams, which covered a breadth of specialities including clinical, operational, finance and commissioning, Independent Contractors, Estates, procurement, and capital planning to name but a few.

The output was a clinically and operationally designed Modular Solution, that consisted of:

- 2 x Laminar Flow Theatres including Preparation Rooms / Anaesthetic Rooms / Dirty Utility
- Recovery Area
- Patient Changing / WC
- Ward area including WC

- Staff Changing including WC / showering facilities
- Storage Facilities
- Reception

The vendors were asked to submit a tender, which offered a full turnkey solution. In essence, this requires the vendor to undertake all of the ground works, site preparation as well as the actual modular build.

A mini competition exercise was undertaken and led by NWSSP Cardiff and Vale University Health Board Front Line team via NHS SBS, Modular Buildings, Lot 3/4 Modular Healthcare Units for Purchase/Hire, Framework Reference: SBS/10091. 30 tenderers were invited.

Of the 30 tenderers invited 4 quotations were received from the following vendors.

- Module Co
- Module Co Health Care
- Vanguard
- Wernick

To ensure HDdUHB consider all avenues both in terms of timely delivery and Value for Money (VFM), there were three monetary options put forward to market. These consisted of:

- Revenue
- Capital Purchase
- Revenue/Capital

Based on the HDdUHB Modular Solution design, vendors were encouraged to bid against 2 Lots. These lots were:

- Lot 1- Vendors to submit bids against the HDdUHB Modular Solution design
- Lot 2- Variant bid (if Q4 delivery was not possible against Lot 1)

Finally, the evaluation criterion applied was:

<b>Evaluation Criteria</b>	
<b>Sub-Section</b>	<b>Generic Questions Weighting</b>
General	Pass/Fail
Quality	60.00%
Price	40.00%
<b>TOTAL</b>	<b>100.00%</b>

## **Asesiad / Assessment**

### **Material Change to Funding**

Before the paper sets out the commercial particulars, it is important to note that there has been one material change to the original SBAR. When the SBAR seeking permission to engage the market came to Board previously, there was an assumption that the contract would be awarded

on a revenue (rental) basis. However, there was a conversation on 12<sup>th</sup> November 2021 between HDdUHB and Welsh Government (WG).

WG suggested that pursuant to the ability to achieve a “delivery” of Q4 in this financial year (2021/22) that there will be Capital monies made available to HDdUHB. Thus, allowing HDdUHB an ability to purchase the Modular Solution. The useful life of the asset is 30 years which will allow HDdUHB a long-term solution to elective recovery and future capacity.

Therefore, the commercial evaluation and particulars are firmly predicated against a capital purchase and not revenue (rental).

The anticipated programme cost including the contract, fees, non-work costs, equipment and VAT is expected to be circa £20m. A final cost schedule will be produced upon programme completion. As the details of the contract remain commercially sensitive, these have been shared with Members as part of the In Committee Papers.

### **Deliverability, Risks and Mitigations**

There are a number of risks associated with the proposed timescales. An Independent Contractor (IC) who is part of the project team, has evaluated the Vanguard proposal in conjunction with the wider project team. The IC has scrutinised and challenged the bidders and their representations to fully assess the deliverability of the plan. Insofar as is reasonably possible and pursuant to all due diligence checks and challenges, the IC has affirmed that, whilst these are challenging timescales, the IC is unable to disprove the responses from Vanguard. Therefore, in the absence of evidence to the contrary and in-line with the vehement and steadfast representations of Vanguard, The Project Group in conjunction with the C&V Procurement team are assured that Q4 delivery can be achieved (but do not underestimate the challenge).

Full Planning Permission has been granted on 18<sup>th</sup> November 2021 to proceed on the basis of Modular Design (PL/02762). Therefore, aside from a number of conditions, all of which the estates team were expecting and are reasonably standard, the outcome of said permission mitigates one of the previous risks associated with the programme of works.

Notwithstanding the aforementioned paragraph, as with any project, there are always a number of inherent and/or associated associate risks. The below are probably the most pertinent to be cognisant of:

Risk	Mitigation
<b>Ground Works</b> - there are complex ground works required to be undertaken	<ul style="list-style-type: none"> <li>• Vanguard have agreed to commence the work immediately. Further, a detailed response around achievement has also been provided</li> <li>• Vanguard maintain that the Ground Works will be run concurrently with the Modular fabrication</li> </ul>
<b>Achievement of “hand-over” by 31<sup>st</sup> March 2022</b>	<ul style="list-style-type: none"> <li>• Vanguard have been explicit that they can achieve the deadline of the 31<sup>st</sup> March 2022. This has been fully evaluated in line with their tender submission and further clarification questions and engagement</li> </ul>

	<ul style="list-style-type: none"> <li>• There is an opportunity to consider Vesting and Vanguard would be amenable to this solution. However, they have reiterated that they will be finished by March 2022</li> <li>• The Contract will have a liquidated damages clause contained therein</li> </ul>
<b>Western Power</b> - power supply for the Modular Solution has not yet been ordered	<ul style="list-style-type: none"> <li>• A Purchase Order has been raised and the order will be placed imminently</li> <li>• Western Power is confident of a January 2022 start date. Therefore, the long lead in-time is reasonably mitigated</li> </ul>

These are the risks and costs associated and affiliated up-to the handover of the Modular Solution:

### **Risk Management and Capital Audit**

In order to proactively and diligently manage the risks associated with Q4 delivery the capital scheme governance will be established including:

- A weekly mobilisation meeting chaired by the Executive Lead
- Certification of designated SRO and Project Director
- Robust project and risk management aligned to the weekly mobilisation meeting
- NWSSP - Audit and Assurance Services will be invited to join the Project Group and will be commissioned to advise on the establishment of the governance arrangements to manage the scheme risks.
- NWSSP - Specialist Estates Services will also be invited to be members of the Project Group
- Weekly highlight reports and actions to firmly mitigate any and all risks should they materialise
- Robust and proactive contract management of the Vanguard contract
- The Project will report progress to Executive Team and into the Board committee structure.

### **Argymhelliad / Recommendation**

The Board is asked to:

- Endorse and approve the award of the Modular Solution contract to Vanguard;
- Note the risks and mitigations.

<b>Amcanion: (rhaid cwblhau)</b>	
<b>Objectives: (must be completed)</b>	
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	1048

Safon(au) Gofal ac Iechyd: Health and Care Standard(s):	5. Timely Care 5.1 Timely Access
Amcanion Strategol y BIP: UHB Strategic Objectives:	All Strategic Objectives are applicable
Amcanion Llesiant BIP: UHB Well-being Objectives: <a href="#">Hyperlink to HDdUHB Well-being Objectives Annual Report 2018-2019</a>	10. Not Applicable

<b>Gwybodaeth Ychwanegol: Further Information:</b>	
Ar sail tystiolaeth: Evidence Base:	Contained in the report
Rhestr Termau: Glossary of Terms:	Contained in the report
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Cyfarfod Bwrdd Iechyd Prifysgol: Parties / Committees consulted prior to University Health Board:	The Board and Executive

<b>Effaith: (rhaid cwblhau) Impact: (must be completed)</b>	
<b>Ariannol / Gwerth am Arian: Financial / Service:</b>	All reference to Capital risks are contained within this report
<b>Ansawdd / Gofal Claf: Quality / Patient Care:</b>	Set out within the body of the report
<b>Gweithlu: Workforce:</b>	N/A
<b>Risg: Risk:</b>	All risks set out within the report.
<b>Cyfreithiol: Legal:</b>	Whilst there is always a risk of legal challenge, it is submitted that this should be a reasonably low risk.
<b>Enw Da: Reputational:</b>	Failure to secure the Modular Solution and increase Elective capacity is a significant reputational risk
<b>Gyfrinachedd: Privacy:</b>	N/A
<b>Cydraddoldeb: Equality:</b>	N/A