

ANNEX C

S180/29/20/0001

19 Nollaig, 2000.

An Rúnaí Priobháideach
An tAire Airgeadais

I am to refer to the memorandum dated 19 December, 2000, submitted by the Taoiseach and to inform you that, at a meeting held today, the Government agreed

- (1) to proceed with the arrangements set out in paragraph 7 of the memorandum to develop an Aquatic and Leisure Centre at the Sports Campus Ireland site at Abbotstown, at a maximum cost to the Exchequer of £52.5m;
- (2) to authorise Campus and Stadium Ireland Development Ltd. as set out in paragraph 8 of the memorandum, to decide if accommodation to be provided, in any event, on Sports Campus Ireland, can be accelerated in order that it can be available for the Special Olympics; and
- (3) to the proposal of the Minister for Agriculture, Food and Rural Development to transfer ownership of the Abbotstown site to Campus and Stadium Development Ltd. for the purposes of the development of the site as set out at paragraph 9 of the memorandum.

Dermot McCarthy
Ard-Rúnaí an Rialtais

An Rúnaí Priobháideach
An tAire Turasóireachta, Spóirt agus Áineasa

Mar eolas don Aire

S.

19 Nollaig, 2000.

**Oifig an Taoisigh
Memorandum for the Government
Sports Campus Ireland – Aquatic and Leisure Centre**

1. Decision Sought

The Taoiseach asks the Government to agree

- (a) to proceed with the arrangements set out in paragraph 7 to develop an Aquatic and Leisure Centre at the Sports Campus Ireland site at Abbotstown, at a maximum cost to the Exchequer of £52.5m;
- (b) to authorize Campus and Stadium Ireland Development Ltd. as set out in paragraph 8, to decide if accommodation to be provided, in any event, on Sports Campus Ireland, can be accelerated in order that it can be available for the Special Olympics;
- (c) to the proposal of the Minister for Agriculture, Food and Rural Development to transfer ownership of the Abbotstown site to Campus and Stadium Development Ltd. for the purposes of the development of the site as set out at paragraph 9.

2. Background

The Government decided on 12 July (S130/08/05/0001N) to proceed with the development of an Aquatic and Leisure Centre on the basis of a benchmark option prepared by PricewaterhouseCoopers consultants. It was agreed that Campus and Stadium Ireland Development Ltd. (CSID) would advertise with a Request for Proposals to design, build, finance, operate and maintain the Centre. The successful tenderer would operate the Centre for 30 years and would receive a capital contribution from CSID. This capital contribution would be the total capital cost the tenderer accepted less the benefit the tenderer accepted from 30 years operating surpluses.

A benchmark was prepared providing the swimming facilities required for the Special Olympics with the potential for upgrading on a once-off basis for European Championships, and a high level of leisure waters and catering facilities, in order to achieve an acceptable operating surplus.

This benchmark option was in the document attached as Appendix 1 of the memorandum for the Government of 11 July, 2000. (S130/08/05/0001N). The capital cost was estimated at £48.4m. A range from £0.492m to £2.129m was estimated as the annual operating surplus.

The Government approved a capital contribution of up to £30m recognizing that CSID would proceed on the lowest capital contribution tendered consistent with an acceptable quality of technical capacity.

3. Competition

CSID placed a notice with the Official Journal of the European Communities on 18 July for a Request to Participate under the Negotiated Procedure provided for in Council Directive 93/37/EC (as amended by Council Directive 97/52/EC). Following assessment of the Requests to Participate received five consortia were invited to submit outline bids. Following assessment of these bids three consortia were invited to proceed to the detailed negotiation stage.

4. Assessment

Two review groups were established -- a Cost and Contracts Review Group and a Design Review Group. These groups have met regularly with all three bidders during November and December to ensure that detailed proposals when received would be in the format required by the documentation and that planning permission-ready applications would be received.

The deadline for receipt of detailed proposals from the consortia was 5pm Friday 15 December.

The advisors to the Assessment Panel analysed the bids on Monday 18 December and a full presentation of the results was made to the Assessment Panel on Tuesday 19 December.

5. Bids received

Three bids were received from the following consortia:

- (a) DIAL
- (b) Prospero
- (c) Waterworld

6. Assessment Panel Recommendation

The Assessment Panel, following consideration of the three bids against the criteria laid down for the competition, recommended that Waterworld be accepted as the preferred bidder because they achieved the highest marks on all the following headings :

Design
Build
Operate
Maintain

Finance (in particular on the capital contribution required, where Waterworld tendered at £52.5m compared to figures of £61.9m for DIAL and £70m for Prospero).

7. Arrangements following Competition

The Taoiseach requests the Government to agree that CSID sign Heads of Agreement with the preferred bidder and lodge a planning application for the Aquatic and Leisure Centre on Friday, 22 December, 2000. It is crucial that this deadline be met so that the target of having the Centre in place for the Special Olympics can be reached.

The Taoiseach believes that CSID should negotiate a reduction on the capital contribution from £52.5m to the level of £48.4m of the benchmark option referred to in paragraph 2, provided that the reduction can be achieved without compromising on a design that will provide a flagship high quality facility up to European Championship standard and that in any event the figure of £52.5m should not be exceeded. The Taoiseach believes that the £4.1m difference can best be regarded as a contingency amount. The Taoiseach believes that CSID should also negotiate a profit sharing arrangement on operational return such that at the level of £400,000 per year expected by Waterworld there is a share to CSID of £40,000 and that this should increase to £600,000 per year if the, admittedly optimistic, view of a total return of £2.1m referred to in paragraph 2 is achieved. CSID have informed the Taoiseach that they are happy to proceed on this basis.

8. Special Olympics

The Special Olympics are being held in Ireland in Summer 2003. 7,000 Athletes and 2,000 Coaches will be attending and Special Olympics Ireland must provide accommodation for these people. This accommodation will be provided in the main through Universities and Secondary Schools. Special Olympics Ireland had targeted Mosney to provide over 2,000 places but this is not available now as the space is being used to accommodate refugees. They had also been in negotiation with Trinity College Dublin for over 1000 places but this will not be available because of long term commitments by the College to accommodate overseas students. This leaves a shortfall of 3,500 places for the Special Olympics.

Sports Campus Ireland will be providing accommodation facilities on the Abbotstown site in any event. The Taoiseach requests the Government to authorize CSID to decide if the accommodation to be provided can be accelerated in order that it can be available for the Special Olympics.

9. The Site.

The Abbotstown site was originally purchased by the Minister for Agriculture in September, 1950 for £38,850. The Minister is the registered owner. It is the Minister's intention to transfer ownership to Campus and Stadium Ireland Development Ltd. The lands can be transferred in parts to facilitate the phased development of the site.

The Minister for Agriculture will inform CSID of his consent to the making of a planning application for the construction of an Aquatic and Leisure Centre on such portion of the lands as may be required. CSID require this consent to enable the company to apply for planning permission. The Taoiseach requests the Government to agree to the Minister's proposal.

10. Financial Implications

The financial implications are as outlined in paragraph 7.

11. Implications for Women

The proposals in the Memorandum have no particular implications for women.