

Bundled Schools, Ireland

Full Description

Project Summary:

Background

In 2005, Ireland's Minister for Education and Science established a Schools Program aiming to deliver 27 new schools in rapidly developing areas, either by replacing existing schools with new facilities or refurbishing existing schools. The 23 post-primary and 4 primary schools were to be delivered as PPPs, in 5 bundles. Each project is named 'Schools PPP Bundle 1', 'Schools PPP Bundle 2', 'Schools PPP Bundle 3', and so on.

Project Structure

Schools PPP Bundle 3 entailed the design, construction, finance, and maintenance of eight schools (seven post-primary schools and one primary school) that would serve a student population of approximately 5,700. In some locations, the project delivered new facilities. In others, it replaced existing schools. In certain areas, the project provided new accommodations for schools formed from the amalgamation of existing schools.

After a competitive bidding process, the 25-year contract was awarded to BAM Schools Bundle 3 Ltd., a joint venture between BAM PPP and Dutch pension fund administrator PGGM. The value of the contract was estimated at EUR 100 million and was signed in November 2012. Construction commenced immediately and the first school was inaugurated just over a year later, in November 2013. The last school in the bundle opened in April 2014.

The financing was provided by Bank of Ireland, the European Investment Bank, and the National Pensions Reserve Fund. The private partner assumed all of the financial, design and construction risk. It also undertook to deliver and maintain the schools to a defined standard and provide a range of ancillary services (such as cleaning and building maintenance) for 25 years after construction. The projected total expenditure in unitary charge payments and projected future commitments throughout the project's life is approximately EUR 412 million (fully inclusive of VAT). Should there be any additional income generated throughout project's life, it will be shared 50:50 between the PPP company and the relevant school.

The project was carried out with due care to concerns expressed by stakeholders about the impact of the construction on the school's educational mandates. For example, the school management expressed concerns regarding school active hours and the provision of exams. In addition, special consideration was given to the environment surrounding some of the locations, as construction during breeding season posed a risk to certain animals in the vicinity.

Three additional bundles accounting for more than forty schools have also been delivered. Brief information on each is provided, below.

- **Schools PPP Bundle 1:**

Following a competitive bidding process, in March 2009 Macquarie Partnerships for Ireland (MPFI) was awarded the contract for the first bundle, which comprised four post-primary schools in three locations. Construction work began the same month and the four schools were delivered in August 2010. Sodexo Limited, the facilities management company engaged by the MPFI consortium, is

providing operation and maintenance services including cleaning, maintenance, energy management and life-cycle replacement services.

- Schools PPP Bundle 2:

The second bundle entailed the delivery of education facilities for 4,700 students across six schools on five sites. Pymble Schools Ltd. was awarded the contract on 2 June 2010, after a competitive process that involved soliciting expressions of interest, shortlisting, tendering and evaluation. Financing was provided by the European Investment Bank, Bank of Ireland and NIBC. The construction works commenced the same month, June 2010. The last school in this bundle was delivered in October 2011, one month ahead of schedule.

Lessons Learned

The Schools PPP Bundle 3 project has been awarded several prizes such as: Silver Award - Best Completed Project in the Partnerships Awards 2016; Winner - Education Project of the Year in the Irish Construction Industry Awards 2015; and Winner - Best Education Award in the Irish Architecture Awards ceremony – the Royal Institute of Architects Ireland 2015.

It is reported that the project created approximately 2,500 jobs.¹

Footnote 1: Case Sources: https://www.ndfa.ie/project_sectors/education; <https://bamcareers.com/ie/projects/irish-schools-pppprogramme-bundle-3/>

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