



**Wairarapa DHB**

*Wairarapa District Health Board*

Te Poari Hauora a-rohe o Wairarapa

## **WAIRARAPA DISTRICT HEALTH BOARD**

**Request for Expression of Interest for the Provision of  
Residential Rest Home and Continuing Care Beds,  
and Other Services**

**Joy Cooper  
Director Service Planning and Funding  
Wairarapa District Health Board**

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# SECTION A - OVERVIEW, REQUEST FOR EXPRESSIONS OF INTEREST PROCESS AND CONDITIONS

## Overview

### Purpose of this request for expression of interest

1. The purpose of this request for expression of interest ('REOI') is to invite interested parties to register their interest, by way of an expression of interest ('EOI'), in providing additional Aged Residential Care ("ARC") services in the Wairarapa.

This REOI is issued by Wairarapa District Health Board ("Wairarapa DHB") and provides background on the types of services sought the process for seeking and evaluating proposals, details of information required in the EOI, and information that may assist participants in completing their EOI.

A copy of the Wairarapa DHB's report on Aged Residential Care Services – A Service Development Roadmap for the Wairarapa DHB (the "ARC Roadmap report") is included in this REOI package.

### Background Summary

2. There is currently a shortage of ARC bed capacity in the Wairarapa. In addition, there is forecasted to be significant numbers of both rest home and continuing care beds required over the next 20 years<sup>1</sup>. The EOI is intended to address the intermediate and 5 to 10 year periods as described in Section B – Background to the REOI.
3. Wairarapa DHB has some concerns about the financial viability of smaller providers. One provider in the Wairarapa recently went into receivership. Wairarapa DHB wants to be assured its aged residential care service providers are financially sustainable over the longer term. Wairarapa DHB would like to encourage small providers to implement changes that strengthen their financial position.
4. Finally, Wairarapa DHB would encourage providers to look creatively at supporting the Health of Older People<sup>2</sup> through their commercial ventures.

### How to use this document

5. This REOI consists of:
  - Section A - Overview, REOI process and conditions
  - Section B – Background to the REOI
  - Section C - Information required
  - Appendix 1 - Evaluation criteria
  - Appendix 2 - Report on Aged Residential Care Services – A Service Development Roadmap for the Wairarapa DHB
6. Section A of this document provides background information, instructions and conditions for responding to this REOI. You need to read and understand this section. Please complete and return with your EOI, your acknowledgment of these requirements and conditions as set out on the form on the first page of Section C.

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<sup>1</sup> Detailed in the ARC Roadmap report, and described further in this REOI

<sup>2</sup> <http://www.moh.govt.nz/olderpeople>

7. Section B of this document summarises the background to the EOI, including information from discussions with existing providers and the ARC Roadmap report in Appendix 2.
8. Section C of this document sets out the information required in your EOI. The instructions on how to complete this document are given at the start of section C.
9. The Appendices contain information that may be of assistance to you in the preparation of your EOI.

### **Joint Proposals**

10. Wairarapa DHB encourages joint proposals. Any joint proposals submitted must identify one of the joint proposers as the contact point for all communications. Details of each joint proposer must also be provided when responding to question 2 of section B of this document.
11. Joint proposals must also describe the exact relationship between the organisations submitting the proposal including proposed contracting arrangements (i.e. which legal entity would hold the contract with Wairarapa DHB).

### **REOI not a tender document**

12. This REOI is not a tender document and will not form part of any subsequent tender.
13. This REOI and any provision contained in it does not give rise to a separate contract between Wairarapa DHB and any other participant, whether as to the conduct of the REOI or otherwise.
14. Participants further agree that nothing in this REOI or in the relationship of Wairarapa DHB and participant imposes any duty of care on Wairarapa DHB, and any such relationship is expressly excluded.

### **Outcomes**

15. Following evaluation of the EOIs received, Wairarapa DHB may:
  - invite short listed participants to respond to a closed tender or request for proposal
  - issue an open tender or request for proposal
  - enter negotiations with preferred participant(s)
  - conclude the process without requesting proposals, tendering or awarding any contracts
  - for the purposes of any subsequent tender or negotiations amend the proposed contract structure, the description of services required or any other aspect of this REOI.

# Request for Expression of Interest Process

## REOI timetable

1. The anticipated timetable for this REOI is:

From date	To date	Date due	Activity
		21 April 2006	Issue of REOI
		19 May 2006	EOI submissions due
		16 June 2006	Participants notified of decisions
		30 June 2006	Issue Request for Proposal or a Request for tender (if any)
		28 July 2006	Tender/Proposal submissions due
4 August 2006	29 September 2006		Award Contract (if any)

**NB** This timetable is indicative only and may be subject to change at the sole discretion of Wairarapa DHB.

## Submission of EOIs

2. EOIs must be enclosed in a sealed envelope and addressed to:
- Joy Cooper  
Director of Service Planning and Funding  
Wairarapa District Health Board  
PO Box 96  
Masterton
3. Wairarapa DHB must receive EOIs by 5pm on Friday 19<sup>th</sup> May 2006.
4. The EOI should be submitted in the following format:
- Four hard copies, and
  - One electronic copy on diskette or Email attachment (in Microsoft Word and/or Excel)
- You only need to supply 1 copy of any additional material (eg brochures) not specifically requested by this REOI but that support your EOI. Please list all further material included in a covering letter.
5. EOIs forwarded by mail or courier should be forwarded in adequate time to ensure they are received before the close time in clause 3. EOIs should not be forwarded by facsimile, such submissions will not be accepted.
6. You should ensure that your EOI is delivered before the closing date and time. Late EOIs may not be considered. The Wairarapa DHB does retain the right to consider late EOIs where (in its sole opinion) there is no material prejudice to other participants.

## Communication between Wairarapa DHB and participants

7. All communications with Wairarapa DHB concerning this REOI or requests for clarification or further information must be directed by Email to:
- [arc.eoi@wairarapa.dhb.org.nz](mailto:arc.eoi@wairarapa.dhb.org.nz)

### **Additional information and clarification**

8. Any requests for additional information or for clarification of this EOI should be directed by Email to: [arc.eoi@wairarapa.dhb.org.nz](mailto:arc.eoi@wairarapa.dhb.org.nz)
9. Wairarapa DHB may issue any clarification and/or change to this REOI by way of written notice. A copy of each notice will be mailed or delivered to each party uplifting this REOI. All such notices will become part of this REOI.
10. Wairarapa DHB will not be bound by any statement, written or verbal, made by any person other than the authorised representative. Joy Cooper is authorised to represent Wairarapa DHB in all matters regarding this REOI. The Authorised Representative (or any other person specifically authorised by the Authorised Representative) is the only person authorised to provide information or clarifications as to this REOI.
11. Wairarapa DHB does not warrant the accuracy or correctness of any matter or fact in this REOI or any document associated with this REOI or in any statement or notice by any officer or agent of Wairarapa DHB or in any information supplied to participants.
12. Participants must verify all matters and facts to their own satisfaction and put forward a ROI in reliance solely on their own inspection and judgement and not in reliance on any warranty, representation or statement made, or said to have been made, by Wairarapa DHB or any officer or agent, whether before or after the date of the REOI.
13. No error, misstatement or misinterpretation, whether in this REOI or in any information supplied in connection with this REOI whether by Wairarapa DHB or any officer or agent of Wairarapa DHB shall annul the REOI, or entitle a participant to compensations, damages, or any other payment.

### **Information required in EOI**

12. Section C of this document sets out the information required in your EOI. Please answer each question in this section.
13. Section C also contains the EOI form that must be completed, signed and returned along with your responses to the questions.

## **General Conditions**

### **Rights reserved by Wairarapa DHB**

1. In participating in this process, each participant acknowledges and accepts that Wairarapa DHB reserves the right to:
  - vary this REOI. Any such variation once notified by way of written amendment notice, will become part of this REOI
  - select participants based on their EOI and invite them to participate in a closed tender or request for proposal
  - issue an open tender or request for proposal, including from participants not involved in this REOI
  - issue tenders with modified descriptions of service requirements, including innovations proposed to Wairarapa DHB, through this REOI process
  - deal separately with any of the divisible elements of any EOI, received through this REOI process, unless the relevant EOI specifically states that those elements must be taken collectively
  - enter into discussions and/or negotiations with any one or more participants relating to matters dealt with in this REOI both during and after evaluation
  - not proceed to evaluation of EOIs
  - reject all EOIs and not proceed to tender, request for proposal or negotiation
  - limit or extend the list of potential participants beyond those who respond to this REOI
  - seek clarification of any aspect of information provided in an EOI and seek further information from any party
  - waive any irregularities or informalities in this REOI process
  - amend the closing date for submission of EOIs or any other date referred to or implied in this REOI
  - in whole or in part, to suspend or cancel this REOI process and/or the overall process
  - re-advertise the REOI.

Wairarapa DHB shall not be bound to give reasons for any action taken under this clause.

### **Canvassing**

2. Any participant who directly or indirectly canvasses any director, officer, employee or advisor of Wairarapa DHB other than the authorised representative, concerning any aspect of this REOI process may, at the Wairarapa DHBs discretion, be disqualified.

### **No warranties or representations re information provided by Wairarapa DHB**

3. Wairarapa DHB makes no representations and gives no warranties other than as set out in this document.

### **Information complete and accurate**

4. All information provided by a participant in its EOI is warranted by the participant to be complete and accurate in all material respects. The participant also warrants to Wairarapa DHB that the provision of information to Wairarapa DHB, and the use of it by Wairarapa DHB for the evaluation of EOIs and for the negotiation of any resulting contractual agreement, will not breach any third party intellectual property rights.

## **Conflict of Interest**

5. Any participant who (if an individual) is also an employee of Wairarapa DHB or (if a company) has an employee of Wairarapa DHB as a shareholder or officer, shall be disqualified from submitting a tender.

## **Errors**

6. Wairarapa DHB is under no obligation to check EOIs for errors. Acceptance of an EOI that contains errors will not invalidate any contract formed arising from this REOI process.

## **Verification and credit check by Wairarapa DHB**

7. The participant confirms to Wairarapa DHB, on its behalf and on behalf of each of the individual participant's personnel referred to in the EOI, that Wairarapa DHB is authorised to:
  - verify with any third person any information included in the EOI or disclosed to Wairarapa DHB in connection with the EOI (whether that information relates to such personnel or otherwise)
  - carry out a credit check on the participant or any such personnel.
8. Wairarapa DHB is not obliged to contact referees provided by participants and may seek further information on any issue from sources other than the referees provided. Wairarapa DHB may also take into account existing & available knowledge of the participant.

## **Confidentiality**

9. This REOI and all other information supplied by participants in relation to this REOI is confidential and shall not be used other than for the purpose of evaluating EOIs.
10. All EOIs provided to Wairarapa DHB shall be retained by Wairarapa DHB and shall be treated as confidential by Wairarapa DHB. However, Wairarapa DHB is subject to the Official Information Act 1982. Information provided by participants may be required to be disclosed under that Act.

## **EOI costs**

11. All costs incurred by the participant in connection with its EOI including any costs relating to:
  - preparation of the EOI
  - any communication or negotiation with Wairarapa DHB
  - any presentations to Wairarapa DHB or meetings or interviews with Wairarapa DHB
  - any site inspectionsare the sole responsibility of the participant.

## **Governing law**

12. This REOI is governed by New Zealand law. The New Zealand courts have exclusive jurisdiction as to all matters relating to this REOI.

## **Liability limitation**

13. Wairarapa DHB and its agents or advisors will not be liable in contract or tort or in any other way for any direct or indirect damage, loss or cost incurred by any participant or other person in respect of this REOI process.

## **Evaluation of Expressions of Interest**

### **Evaluation criteria**

1. EOIs will be evaluated against Wairarapa DHB's requirements as set out in this document. Each EOI received will be evaluated as to its merits with respect to the evaluation criteria outlined in Appendix 1.

### **Evaluation process**

2. An evaluation team will assess each EOI according to the criteria outlined in Appendix 1.

### **Clarification**

3. During EOI evaluation, you may be contacted by the Authorised Representative in order to clarify any aspect of your EOI.

### **Ownership of proposal documents**

4. The proposals submitted to Wairarapa DHB in response to this EOI shall be retained by Wairarapa DHB.

## **Communication of Decisions**

### **Communication of decisions concerning this EOI**

1. Participants will be notified in writing of the decisions resulting from this REOI.

### **Short listing and tendering**

2. Where there is a decision to conduct a closed tender, the preferred participants will be notified and will receive a request for tender documents in due course. The unsuccessful participant(s) will be advised that their EOI was not successful.

### **Short listing and negotiation**

3. All EOIs remain open and valid for acceptance until 16 June 2006 and shall be regarded as irrevocable and are not to be withdrawn or capable of being withdrawn by any participant prior to that date.
4. Where there is a decision to short list and proceed to negotiation directly from this REOI process:
  - the successful participant(s) will be notified of their preferred status and the expected time frame for negotiations.
4. Other participants will be notified either that:
  - their EOIs have been unsuccessful, or
  - that they are short listed but not preferred. In this case, the participant will be asked to confirm that their EOI remains open for the period of negotiation with preferred participants.

Any failure to reach agreement between Wairarapa DHB and preferred participants may result in a re-evaluation of other short listed participants. Contract negotiation may then commence with the participant selected from this re-evaluation.

### **Preferred Participant**

5. If any participant is selected as preferred participant resulting from this REOI process then Wairarapa DHB is not obliged to negotiate with that participant.
6. Should Wairarapa DHB advise that a participant is the preferred participant, such advice does not:
  - constitute an acceptance by Wairarapa DHB or create a contract or
  - constitute an award of the contract to that participant or
  - imply or create an obligation on Wairarapa DHB to enter into negotiations with a participant or award the contract to it.
7. Wairarapa DHB may discontinue negotiations at any time.

## SECTION B – BACKGROUND TO THIS REOI

### Aged Residential Care bed capacity

1. There are 416 current contracted beds in the Wairarapa<sup>3</sup>:

Location	Facility	Rest Home	Hospital	Dementia	Flexible short term	Total
Martinborough	Wharekaka	19				19
Greytown	Arbor House	20				20
Greytown	Palliser	17	15		1	33
Carterton	Carter Court	38				38
Carterton	Roseneath	23	18		1	42
Masterton	Aversham House	20				20
Masterton	Cornwall Rest Home	20				20
Masterton	Kandahar Rest Home	45	18			63
Masterton	Lansdowne Court	6	27		1	34
Masterton	Lyndale Rest Home	22				22
Masterton	MetlifeCare	27	17		1	45
Masterton	Glenwood Private Hospital	2	24		2	28
Masterton	Henley Care Centre			32		32
<b>Total</b>		<b>259</b>	<b>119</b>	<b>32</b>	<b>6</b>	<b>416</b>

2. Wairarapa DHB believes that there is currently a shortfall of approximately 23 beds (6 rest home beds, 14 continuing care beds, and 3 psycho geriatric beds). This shortfall has resulted in people either not moving to the bed service that they require, or have shifted to another region, or are using Wairarapa DHB hospital beds.
3. Wairarapa DHB conducted a Slice of Time<sup>4</sup> survey with their existing providers to determine the occupancy of existing ARC facilities. The proportions of people using the different contracted beds at this date were applied to expected population projections from the Department of Statistics to forecast expected future bed requirements.

The forecasted capacity requirements for ARC beds<sup>5</sup> are shown below

Mid-year:	Rest Home	Continuing Care	Sub Total	Dementia	Total Beds
2005	253	131	384	19	403
2006	269	138	408	20	428
2007	279	143	422	21	443
2008	292	150	442	22	464
2009	303	155	457	23	480
2010	316	161	477	24	500
2011	329	168	497	25	521
2016	401	203	604	30	634
2021	467	236	702	35	737
2026	549	276	825	41	866

The actual future capacity requirements will depend on many factors including

- Possible reduction in rest home beds if more services are provided to home care, or if more people decide to stay in the community
- Whether health/disability of people in the Wairarapa improves or degrades relative to the proportions at the Slice of Time survey
- Whether the population of the Wairarapa increases or decrease relative to the Department of Statistics estimates, etc

<sup>3</sup> Table 1.1 in the ARC Roadmap report

<sup>4</sup> The Slice of Time – 29 November 2005 survey gathered data related to occupancy and subsidised residents from the Wairarapa providers on the 29<sup>th</sup> November 2005

<sup>5</sup> Table 1.3 in the ARC Roadmap report

4. The ARC bed requirement that this EOI seeks to solve is both:
  - The current bed shortfall described in point 2 above- approximately 23 beds; and
  - The bed requirement for the next 5 to 10 years.

### **Financial viability of providers**

1. It is not possible for all providers to be at 100% occupancy (in effect this means approximately 97% occupancy when arrivals and departures are taken into account). Therefore, providers need to be financially viable at lower occupancy levels.
2. Financial pressures impact providers affecting:
  - Staff recruitment, pay, training and retention
  - Maintenance of appropriate facilities and services
3. Wairarapa DHB encourages providers to implement changes that assure their financial viability over the longer term.

## SECTION C – EOI RESPONSE FORM

### Information Required

#### Instructions

1. You are required to answer each question in this section. Each question has been numbered and set out on a separate page – please keep to this standard format when presenting your response.
2. Where a question is not relevant to your EOI then indicate 'N/A' or 'Not Applicable' against the question number in your EOI. If the question invites you to comment and you do not choose to, then you indicate 'No Comment' against the question number in your EOI.

#### PROVIDER DETAILS

<b>Name of Organisation</b>	
<b>Name of Contact Person</b>	
<b>Position of Contact Person</b>	
<b>Postal Address:</b>	
<b>Telephone Number:</b>	
<b>Facsimile Number</b>	
<b>Email Address</b>	

We have examined the request for proposal documents (EOI) for Provision of Residential Rest Home and Continuing Care Beds and Services.

We have read and understood the terms and conditions set out in Section A of this document.

We attach our expression of interest for the delivery of residential services in the Wairarapa in accordance with your request for expression of interest dated 8 October 2004.

We attach all information required by the REOI.

Signed by:.....Dated:.....

On behalf of:.....  
(the submitting organisation)

## Checklist

### Our proposal... (tick boxes to indicate 'yes')

- Includes all required contractor information
- Includes all required pricing information
- Has been set out and labelled in the manner specified in the REOI
- Includes evidence to support information provided in the proposal (eg human resources policy, quality plan, code of consumer rights, letters of support, accreditation / certification information, memorandums of understanding)
- Includes constitutional documents
- Includes either written references/testimonials regarding experience and quality of service of the organisation and/or any key people in the organisation, or the contact details of referees
- Includes financial information

## **Aged Residential Care – Bed Capacity**

### **Overview of proposed service**

Please include:

1. An overview of your proposal for the provision of ARC bed services required by this EOI
2. A summary of the benefits and health outcomes which, in your opinion, would be achieved from the acceptance of your proposal
3. An overview of your capability to carry out the work and of subcontractors (if any) that you propose to engage in connection with the services.
4. An explanation of how you think your proposal aligns itself with the directions identified in the ARC Roadmap report and the Health of Older People strategy.
5. Your proposal should set out clearly any assumptions you have made in respect of the requirements set out in this EOI.

### **Organisation, structure, capacity and leadership**

6. Please describe the organisational entity that will be providing the services, including:
  - Its legal structure (Partnership/Company/Trust?)
  - If a company, full names of all major shareholders of the company, including any beneficial shareholders who are not the registered shareholders
  - Copy of incorporation certificate if a company, or registered incorporation if applicable
  - If a charitable trust, copy of Inland Revenue exemption confirming charitable status
7. Please describe the governance and management structure, in diagrammatic form, showing lines of reporting and areas of responsibility.
8. If you are proposing to provide the service jointly please describe the structure of the relationship with the other organisation, and provide copies of any agreements or Memorandum of Understanding you have with the other organisation.

**NB** If this is a joint proposal both organisations must provide the details required in questions 6 and 7 above.

### **Organisational viability**

9. Current financial status:
  - Please describe the services you currently provide and the value of the contracts for providing those services.
  - Provide sufficient detail around the current financial status of the organisation to assure the Wairarapa DHB that it will be contracting with a financially secure and robust organisation.
  - Provide a copy of your company's most recent annual and/or half yearly reports including Statement of Financial Position and Statement of Financial Performance.

Also, the auditor's or certifying accountant's opinion and comments should be attached to the financial statements.

10. Proposed solution for ARC bed services. Provide a detailed budget breakdown of:
  - Forecast profit and loss (including depreciation provisions)
  - Forecast cashflow (including maintenance and new capital expenditure)
  - Source and surety of capital requirements
11. Approval to undertake site visits (where necessary) to the site where your company is currently contracted to provide similar services.
12. Any additional information relevant to service provision either requested or as part of this REOI or provided in support of your proposal

### **Provider experience**

13. Please provide details of the organisation's history or experience in:
  - Delivering residential care services for residents who are over 65 years
  - Designing and developing continuing care residential care services for residents

(Include in this details about the length of time that the organisation has provided this type of service, and the locations and the number of people you provided services for.)

### **Human resource capacity to provide the service**

14. Please provide details on the staffing levels and skills, and qualifications that you currently have in your organisation.
15. Please describe how you provide career development and your method of ascertaining ongoing training needs of staff.
16. What additional staff will you need to recruit in order to deliver your proposed service?
17. What skills or expertise will be required to deliver your service that will need to be sourced from another provider? Have you an existing relationship with another provider that ensures your access to these skills?

### **Quality**

Please provide details of certification/accreditation; including:

- Type of certification/accreditation
- Most recent date achieved certification/accreditation
- Date of next audit due
- Designated auditing agency

## Financial Viability of Providers

Financially viability and sustainability is an essential element of future service provision. This may be assured in a number of ways, including the individual provider organisation having or achieving sufficient critical mass/size, and/or by collaboration between providers.

1. Do your plans include working with other providers to improve operating effectiveness? E.g.
  - sharing staff
  - joint purchasing
  - common processes and procedures
  - common training programmes
  - please provide other ideas.
  
2. Are there any benefits to your business in possible amalgamation, partnership, or relationships with other providers to improve operating effectiveness? If “yes” then please describe any initiatives that you have or may undertake.
  
3. Do you have, or are you planning to have, other commercial ventures to support your business?

## APPENDIX 1 – EVALUATION CRITERIA

<b>RESPONDENT ORGANISATION:</b>		
<b>EVALUATION TEAM MEMBER:</b>		
<b>Criteria</b>	<b>Possible Score</b>	<b>Respondent Score</b>
<b>1. Overview of Proposed Service</b>	<b>30</b>	
<b>2. Organisational Structure, Capacity and Leadership</b>	<b>10</b>	
<b>3. Organisational Viability</b>	<b>30</b>	
<b>4. Provider Experience</b>	<b>10</b>	
<b>5. Human resource capacity to provide the service</b>	<b>10</b>	
<b>6. Quality</b>	<b>10</b>	
<b>Total Score</b>	<b>100</b>	