



# Memo

**Date:** 27 January 2014

**To:** Rod Bartling, Group Manager, Mental Health Service Improvement

**Cc:** Derek Thompson, Team Leader, Gambling Harm Minimisation

**From:** Natu Levy, Senior Contract Manager, Gambling Harm Minimisation  
(as Panel Chair and on behalf of the Evaluation Panel)

**Subject:** Memo to enter into provider negotiations for RFP (GETS #39726)  
Regional and National Services to Prevent and Minimise Gambling Harm

**For your:** Decision

## 1. Introduction

- 1.1. This memorandum seeks your approval for the Ministry to enter into negotiations with the preferred service providers - see Appendix 1 "Panel Recommendations and costing" and Appendix 2 "Additional Notes from the Evaluation Panel".

## 2. Background

- 2.1. The Preventing and Minimising Gambling Harm Service Plan (the "Service Plan") 2013/14 to 2015/16 has an approximate total budget of \$55.5M. This comprises of four areas of expenditure within the Service Plan:

Expenditure	2013/14 (\$m)	2014/15 (\$m)	2015/16 (\$m)	Total (\$m)
Public health	6.779	6.858	6.835	20.472
Intervention	8.330	8.550	8.420	25.300
Research	2.630	2.125	1.875	6.630
Ministry	0.957	0.979	1.001	2.937
<b>Total (\$m)</b>	<b>18.696</b>	<b>18.512</b>	<b>18.131</b>	<b>55.339</b>

Table 1: Ministry of Health budget (GST exclusive), 2013/14 to 2015/16.

- 2.2. In Table 1 above, the total public health expenditure line of \$20,472,000 consists of six service areas. The focus of this memo relates to one service area referred to as primary prevention "public health action". The available budget for public health action is \$14,191,727.00.

- 2.3. In Table 1 above, the total intervention expenditure line of \$25,300,000 consists of five service areas. The focus of this memo relates to one service area referred to as "psychosocial intervention and support". The available budget there is an available of \$21,175,350.00 for psychosocial intervention services.
- 2.4. The remaining budget to be allocated over 30 months, 1 January 2014 to 30 June 2016 consists of \$14.1M for public health action and \$21.1M for psychosocial clinical intervention services - see Appendix 3 "Funding Overview".
- 2.5. Cabinet did not approve the Service Plan Appropriation until late May 2013.
- 2.6. With service provider contracts due to expire 30 June 2013, the decision to extend the existing contracts to 31 December 2013 was tabled and approved by SCI funding board on 22 January 2013 (BC130301). Specifically, this decision was to enable adequate time for an open tender RFP process to be completed.
- 2.7. The intention of the RFP is to give the Ministry an opportunity to examine the distribution and provider service-mix that can best be procured to deliver the type of problem gambling services at a regional or national level - see Appendix 4 "All proposals considered".

### 3. Assessment process

- 3.1. A Request for Proposal open tender process was released on GETS on 24 July 2013 and was closed on 13 September 2013.
- 3.2. By the closing date, the Ministry received 32 different proposals representing 86 potential service mix combinations.
- 3.3. One proposal was received after the due date. This was rejected due to lateness and returned to the submitter unopened. The submitter accepted and verified that the lateness was in fact due to their error.
- 3.4. A six-member evaluation panel met on Monday 30 September 2013, Tuesday 1 October 2013 and Tuesday 15 October 2013. The members of the panel were:
- Natu Levy, Chair: Senior Contract Manager, **non-scoring**
  - Dion Williams, Senior Contract Manager, Ministry of Health
  - Chas McCarthy, Senior Contract Manager, Ministry of Health
  - Ben Everist, Portfolio Manager, Ministry of Health
  - Jude West (Mental Health Advisor, Health Promotion Agency)

- Kirsty Pleace (Senior Policy Advisor, Department of Internal Affairs)
- Fa'amatuainu Tino Pereira (Pacific Health Consultant)

3.5. All participants to the RFP process signed Conflict of Interest declarations.

3.6. The following conflicts were managed according to Ministry procurement processes:

- (i) The Chair had a perceived conflict of interest as the Ministry's Contract Manager. This conflict was mitigated by being a non-scoring chair;
- (ii) One member had a perceived conflict of interest as the Ministry's Senior Contract Manager. The conflict was acknowledged and considered. All Ministry employees are bound by ethical codes of conduct. As with all panel members, relevant discussion and consideration of all proposals are to be based on the content of the proposals presented. Prior knowledge or comments outside of the proposal content are specifically excluded;
- (iii) One external panel member had an actual and direct conflict of interest with one proposal. A direct family to the panel member was part of a Board of Trustees of a subcontracted entity. For the affected proposal, the member was excluded from all discussion and scoring in relation;; and
- (iv) Two members had a perceived conflict. One external panel member had been previously employed with an organisation that had submitted a proposal. The internal panel member was previously employed by a crown entity that engaged with the problem gambling sector. The conflicts were separately acknowledged and considered. Both panel members are no longer in the employment of the affected organisation, and neither has any involvement or carry any other interest, financial or otherwise with their previous employer. Both panel members were allowed to continue to input into discussions and to score.

3.7. One internal and one external panel member declared no conflict of interest.

3.8. Each panel member was sent a full set of proposals including an "Evaluation Pack" containing information and instructions in relation to the assessment process.

3.9. The scoring panel assessed each proposal against eight capability categories requiring responses to 25 key areas based on the requirements, the delivery, experience, capability, alignment (with collectives and the wider addiction treatment


sector), outputs and outcomes including quality performance measures, proposed services to be delivered, and the price – see Appendix 6 “Evaluation Methodology”.

- 3.10. There were two proposals (“FAM” for the Auckland region, and “Addiction Advice” for the Nelson/Marlborough and Canterbury/West Coast regions) that did not meet the minimum standards. It was unanimously agreed by the panel that both of these proposals should be excluded. It is noted that some panel members did submit partial scores within their individual pre-assessment scores. For accuracy and completeness, the raw scores were still recorded and averaged as they were received during the pre-scores process. However, there was no consensus or moderation process applied on the basis that minimum standards had not been reached.
- 3.11. All panel members were required to submit their individual scores to the Panel Chair prior to the Evaluation Panel meeting. The scores were converted to a single table format so that all individual scores could be viewed by the panel members.
- 3.12. Collectively, the pre-scores then constituted an average raw score. This helped to provide a starting guide in the discussion process for the consensus score. While the raw score average included all values between 0 and 10, according to the scoring criteria only even numbers could be used in the final consensus score.
- 3.13. The panel reviewed all average scores to arrive at final consensus scores for each criteria question for all proposals. The final numerical ranking of each proposal was not the sole determinant for the final panel recommendations. A moderation process was undertaken to enable the Panel to review the preferred provider(s), first for appropriateness to the region and, secondly whether a national provider was able to provide the same or better service for that region – see Appendix 7 “Panel moderation methodology and process” and Appendix 8 “Overview and Rationale for Moderated Recommendations”.
- 3.14. Associated documentation held on file in relation to this memorandum:
- (i) “Request for Proposal” tender document posted on GETS 24 July 2013
  - (ii) “Service Specification” (indicative) as posted on GETS 24 July 2013
  - (iii) “Questions and Answers” from proposers in relation to the GETS process
  - (iv) “Evaluation Pack” for distribution to the panel as at 11 September 2013
  - (v) “Proposal log” as at 11 September 2013
  - (vi) “Conflict of Interest Declaration” completed for each panel member
  - (vii) “Individual Pre-scoring” document as submitted by each panel member
  - (viii) “Consensus Score” document as agreed unanimously by the panel

- (ix) "Summary Scores" document relating to each proposal and region
- (x) "Final Minutes" document as agreed by the panel for all proposals
- (xi) "Procurement checklist" document as at 30 October 2013
- (xii) "Draft communications" document as at 5 November 2013
- (xiii) "Draft procurement plan" document as at 5 November 2013

**4. Recommendation**

4.1 It is recommended that you:

<b>Approve:</b>	Ministry to enter into negotiations with the providers as set out in Appendix 1 with the objective of signing an agreement to deliver preventing and minimising gambling harm services.	<del>Yes / No</del>
<b>DFA</b>	<b>Signature</b>	<b>Date</b>
Rod Bartling Group Manager Mental Health Service Improvement		7/2/14

Further advice required

RELEASED UNDER THE OFFICIAL INFORMATION ACT

Appendix 1: Panel recommendations and costing

Appendix 3: Funding Overview

Appendix 2: Additional notes from the Evaluation Panel for consideration during Ministry negotiations

RELEASED UNDER THE  
OFFICIAL INFORMATION ACT