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**From:**  
**Sent:** Thursday, 29 September 2016 08:26  
**To:**  
**Cc:**  
**Subject:** Re: Comment for approval

That sounds ok

Sent from my iPad

On 28/09/2016, at 11:08 AM, :

Hi (

A while ago we received an OIA from reporter Natalie Wilson and responded (as per the attached).

Ms Wilson then came back and asked:

***I acknowledge that the savings part of the question may not yet be determined.  
But surely the costs of implementing the change to Compass and the amount the SDHB paid for the business plan are now known.***

On chasing a response for this, it emerged that we had already released the below information to the Unions. I would like to send this response to Ms Wilson if you are happy for it to go. Both and have approved it as this information is already in the public arena:

*The \$1.12m provision in year 1 relates to:*

- \$840k for the costs associated with the mobilisation project team, technology implementation and related change management costs. This figure reflects SDHB's share of mobilisation costs to implement the proposed Food Services solution. Of this figure, \$360k relates to a share of national mobilisation costs, \$170k relates to mobilisation costs that are specific to Southern DHB, and a \$310k provision has been included for any redundancy costs. This redundancy provision is based on a national estimate of projected numbers, a portion of which has then been allocated to Southern DHB on the basis of population size. It has been included as a planning assumption to ensure the Business Case is robust and provides a conservative estimate of potential benefits. It should not be taken as indicative of numbers of staff who may receive redundancy compensation.*
- \$190k for costs associated with the management of food services during the transition period.*
- \$60k for Business Case Costs. This reflects costs already incurred by HBL on behalf of Southern DHB to develop the Food Services Business Case for consultation. The total amount payable in this regard is \$280k – spread over the first five years of the contract.*
- \$30k for Sector Implementation costs. This reflects an estimate of additional costs expected to be incurred by Southern DHB to implement the proposed Food Services solution. The total amount payable in this regard is \$150k – spread over the first five years of the contract.*

Regards

Private Bag 1921, Dunedin 9054, New Zealand |

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**From:**  
**Sent:** Tuesday, 6 December 2016 15:31  
**To:**  
**Subject:** Foodservice OIA Emails

Another one...

-----Original Message-----

From: .  
Sent: Monday, 5 September 2016 2:39 p.m.  
To: !  
Cc: .  
Subject: RE: OIA response

I don't believe we can add anything more suffice to say once we have worked through our current process we will be able to provide additional information

-----Original Message-----

From: !  
Sent: Monday, 5 September 2016 1:10 p.m.  
To:  
Cc:  
Subject: FW: OIA response  
Importance: High

Hi

Remember the attached OIA request and response that we received from Natalie Wilson?

She has come back with the below query. Is there something that we can provide her?

Thanks

-----Original Message-----

From: Natalie Wilson [mailto:fyi-request-4179-40e1daa6@requests.fyi.org.nz]  
Sent: Monday, 5 September 2016 1:48 a.m.  
To:  
Subject: Re: OIA response

Dear Sarah Byrne,

This is not an acceptable reply.

I acknowledge that the savings part of the question may not yet be determined.

But surely the costs of implementing the change to Compass and the amount the SDHB paid for the business plan are now known.

Seeking further clarification from you before proceeding to a complaint with the Ombudsman.

Yours sincerely,

Natalie Wilson

-----Original Message-----

Dear Ms Wilson,

Please see the attached response to your Official Information request.

Regards

Sarah

Sarah Byrne | OIA Coordinator | Southern DHB

Private Bag 1921, Dunedin 9054, New Zealand | DDI 03 4769454 ext 55454

[1][email address]

-----  
Please use this email address for all replies to this request:  
fyi-request-4179-40e1daa6@requests.fyi.org.nz

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<https://fyi.org.nz/help/officers>

If you find this service useful as an Official Information officer, please ask your web manager to link to us from your organisation's OIA or LGOIMA page.

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**From:**  
**Sent:** Tuesday, 6 December 2016 15:51  
**To:**  
**Subject:** Foodservice OIA Emails

**From:**  
**Sent:** Thursday, 7 July 2016 10:44 a.m.  
**To:**  
**Cc:**  
**Subject:** FW: 20 JULY - - OIA -1016 - Request for Input

Hi  
Can you advise who best to answer this one pls? Or do you think it can wait until [redacted] gets back.

**From:** OIA [mailto:pulse@southerndhb.govt.nz]  
**Sent:** Tuesday, 28 June 2016 12:59 p.m.  
**To:**  
**Subject:** 20 JULY - OIA -1016 - Request for Input

Hi :  
Your input is required on the following Official Information Act request. Please provide a response no later than 5 working days before 26/07/2016 12:00:00 a.m.

Review the request and any attachments: [here](#)

A summary of the request is provided below:

**Request ID:** 1016

**Requested From:** Natalie Wilson via FYI website

**Their Organisation:** email: [fyi-request-4179-40eldaa6@requests.fyi.org.nz](mailto:fyi-request-4179-40eldaa6@requests.fyi.org.nz)

**Information Requested:** I am interested in finding out what the costs have been to the SDHB to implement the Compass contract and changes to the food services. (This includes the share of the cost of the business plan and any changes to the kitchens/systems needed). What are the savings made so far?

**Attachment to View:** False

For any additional information in regards to this request, or if you deem this request to have been sent to you incorrectly, please contact [Sarah.Byrne@southerndhb.govt.nz](mailto:Sarah.Byrne@southerndhb.govt.nz)

---

**From:** [REDACTED]  
**Sent:** Tuesday, 6 December 2016 15:52  
**To:** [REDACTED]  
**Subject:** Foodservice OIA Emails

**From:** [REDACTED]  
**Sent:** Tuesday, 12 July 2016 10:00 a.m.  
**To:** [REDACTED]  
**Cc:** [REDACTED]  
**Subject:** OIA 1016

Hi all,

OIA 1016 from Natalie Wilson (about the costs of implementing the Compass contract) has been moved to [REDACTED] for response. Please consider it complete from your list.

Thanks

[REDACTED]  
Private Bag 1921, Dunedin 9054, New Zealand

---

**From:**  
**Sent:** Tuesday, 6 December 2016 15:54  
**To:**  
**Subject:** Foodservice OIA Emails

**From:**  
**Sent:** Tuesday, 19 July 2016 5:58 a.m.  
**To:**  
**Subject:** FW: 20 JULY - - OIA -1016 - Request for Input

Hi

Just a reminder a response to this OIA is due tomorrow.

Thank you.

---

Southern DHB

Kind – Manaakitanga | Open – Pono | Positive – Whaiwhakaaro | Community - Whanaungatanga

**From:** OIA [<mailto:pulse@southerndhb.govt.nz>]  
**Sent:** Tuesday, 28 June 2016 12:59 p.m.  
**To:**  
**Subject:** 20 JULY - OIA -1016 - Request for Input

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Your input is required on the following Official Information Act request. Please provide a response no later than 5 working days before 26/07/2016 12:00:00 a.m.

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**Their Organisation:** email: [fyi-request-4179-40eldaa6@requests.fyi.org.nz](mailto:fyi-request-4179-40eldaa6@requests.fyi.org.nz)

**Information Requested:** I am interested in finding out what the costs have been to the SDHB to implement the Compass contract and changes to the food services. (This includes the share of

the cost of the business plan and any changes to the kitchens/systems needed). What are the savings made so far?

**Attachement to View:** False

For any additional information in regards to this request, or if you deem this request to have been sent to you incorrectly, please contact [Sarah.Byrne@southerndhb.govt.nz](mailto:Sarah.Byrne@southerndhb.govt.nz)

DO NOT reply to this email, this is an automatically generated email.

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**From:**  
**Sent:** Tuesday, 11 October 2016 11:38  
**To:**  
**Subject:** RE: Follow-up query response  
**Attachments:** 1031 Natalie Wilson 26 July 2016 re Compass savings.pdf

Hi

This response went on 29 Sept. It was a response to a follow-up question to the attached original OIA.

Thanks

-----Original Message-----

**From**  
**Sent:** Tuesday, 11 October 2016 9:52 a.m.  
**To:** >vt.nz>  
**Subject:** RE: Follow-up query response

Hi  
When did Natalie receive your original response below?

Thanks

Southern District Health Board

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**From:**  
**Sent:** Tuesday, October 11, 2016 9:40 AM  
**To:**  
**Cc:**  
**Subject:** FW: Follow-up query response

Morning all,

Please see below further query from Natalie Wilson. Please can you let me know what to respond.



Kind regards

-----Original Message-----

From: Natalie Wilson [mailto:fyi-request-4179-40e1daa6@requests.fyi.org.nz]

Sent: Monday, 10 October 2016 7:00 p.m.

To:

Subject: Re: Follow-up query response

Dear [redacted]. Thank you for your reply.

I seek further clarification as to whether the costs will increase (as the promised 'savings' have decreased) due to so few DHBs signing up to Compass contract?

Yours sincerely,

Natalie Wilson

-----Original Message-----

Dear Ms Wilson,

In response to the follow-up query you asked following our response to your OIA request, please be advised that the provision in year 1 relates to:

- \$840k for the costs associated with the mobilisation project team, technology implementation and related change management costs. This figure reflects SDHB's share of mobilisation costs to implement the proposed Food Services solution. Of this figure, \$360k relates to a share of national mobilisation costs, \$170k relates to mobilisation costs that are specific to Southern DHB, and a \$310k provision has been included for any redundancy costs. This redundancy provision is based on a national estimate of projected numbers, a portion of which has then been allocated to Southern DHB on the basis of population size. It has been included as a planning assumption to ensure the Business Case is robust and provides a conservative estimate of potential benefits. It should not be taken as indicative of numbers of staff who may receive redundancy compensation.
- \$190k for costs associated with the management of food services during the transition period.
- \$60k for Business Case Costs. This reflects costs already incurred by HBL on behalf of Southern DHB to develop the Food Services Business Case for consultation. The total amount payable in this regard is \$280k " spread over the first five years of the contract.
- \$30k for Sector Implementation costs. This reflects an estimate of additional costs expected to be incurred by Southern DHB to implement the proposed Food Services solution. The total amount payable in this regard is \$150k " spread over the first five years of the contract.

Regards

Sarah

Sarah Byrne | OIA Coordinator | Southern DHB Private Bag 1921, Dunedin 9054, New Zealand | DDI 03 4769454 ext 55454 >

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-----  
Please use this email address for all replies to this request:

fyi-request-4179-40e1daa6@requests.fyi.org.nz

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<https://fyi.org.nz/help/officers>

If you find this service useful as an Official Information officer, please ask your web manager to link to us from your organisation's OIA or LGOIMA page.

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**From:**  
**Sent:** Tuesday, 26 July 2016 09:59  
**To:**  
**Subject:** FW: 1031 Natalie Wilson 26 July 2016 re Compass savings  
**Attachments:** 1031 Natalie Wilson 26 July 2016 re Compass savings.docx

Hi

FYI – response going to Natalie Wilson today.

Thanks

---

**From:**  
**Sent:** Tuesday, 26 July 2016 09:57  
**To:**  
**Cc:**  
**Subject:** 1031 Natalie Wilson 26 July 2016 re Compass savings  
**Attachments:** 1031 Natalie Wilson 26 July 2016 re Compass savings.docx

Hi all,

Please see attached OIA response going to Natalie Wilson.

Regards

---

**From:**  
**Sent:** Tuesday, 26 July 2016 09:56  
**To:**  
**Subject:** 1031 Natalie Wilson 26 July 2016 re Compass savings  
**Attachments:** 1031 Natalie Wilson 26 July 2016 re Compass savings.docx

Hi

Please see attached draft OIA for approval. This has come through

Thanks

Private Bag 1921, Dunedin 9054, New Zealand

---

**From:**  
**Sent:** Wednesday, 20 July 2016 13:53  
**To:**  
**Subject:** OIA 1016

Hiya,

OIA 1016 (now called OIA 1031)

Natalie Wilson:

I am interested in finding out what the costs have been to the SDHB to implement the Compass contract and changes to the food services. (This includes the share of the cost of the business plan and any changes to the kitchens/systems needed). What are the savings made so far?

as the data for the response and it should be on its way to you shortly.

Thanks

Private Bag 1921, Dunedin 9054, New Zealand | f

---

**From:**  
**Sent:** Tuesday, 26 July 2016 11:57  
**To:**  
**Subject:** Re: 1031 Natalie Wilson 26 July 2016 re Compass savings

Fine, thanks

Southern District Health Board

On 26/07/2016, at 09:56,

Hi

Please see attached draft OIA for approval. This has come through

Thanks

Private Bag 1921, Dunedin 9054, New Zealand |

<1031 Natalie Wilson 26 July 2016 re Compass savings.docx>

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**From:**  
**Sent:** Monday, 18 July 2016 10:17  
**To:**  
**Subject:** RE: OIA query

Yes it's the same one. Our OIA system won't let me just update the responder, so I had to delete 1016 and re-log it as a new request.

**From:** r  
**Sent:** Friday, 15 July 2016 3:35 p.m.  
**To:**  
**Subject:** OIA query

Hi! can you confirm that OIA 1016 and 1031 are the same request?

Cheers  
--

Private Bag 1921, DUNEDIN 9054 |





---

**From:**  
**Sent:** Monday, 12 December 2016 11:53  
**To:**  
**Subject:** FW: OIA Compass

**From:**  
**Sent:** Thursday, 21 July 2016 11:40 AM  
**To:**

**Cc:**  
**Subject:** RE: OIA Compass

Hi

Re OIA 1031, question:

*I am interested in finding out what the costs have been to the SDHB to implement the Compass contract and changes to the food services. (This includes the share of the cost of the business plan and any changes to the kitchens/systems needed). What are the savings made so far?*

My suggested response to this OIA is as follows (and is consistent with recent responses sent to

Exact costs and savings from outsourcing food services to Compass are yet to be determined. The SDHB is negotiating final costs and prices with Compass and until that process is complete the final savings numbers for 2015/16 will not be known.

can you confirm you're happy with this response.

Regards

**From:**  
**Sent:** Thursday, 21 July 2016 8:33 a.m.  
**To:** I  
**Cc:** '  
**Subject:** OIA Compass

Hi

Please can you input your information and email back to me. Thank you.



Southern District Health Board  
Dunedin Hospital  
201 Great King Street  
Private Bag 1921  
DUNEDIN, 9054

Chief Executive Officer  
Phone 03-476 9448 Fax 03-476 9450

20 July 2016

Ms Natalie Wilson

Email: [fyi-request-4179-40eldaa6@requests.fyi.org.nz](mailto:fyi-request-4179-40eldaa6@requests.fyi.org.nz)

Dear Ms Wilson

**Re: Official Information Act Request**

I refer to your Official Information Act request received by email on 28 June 2016 in which you specifically requested the following:

I am interested in finding out what the costs have been to the SDHB to implement the Compass contract and changes to the food services. (This includes the share of the cost of the business plan and any changes to the kitchens/systems needed). What are the savings made so far?

You have the right to seek an investigation and review of our decision by the Ombudsman. The Ombudsman's Office can be contacted on 0800 802 602 or on-line at <http://www.ombudsman.parliament.nz/>.

Yours sincerely

**Carole Heatly**  
Chief Executive Officer

---

**From:**  
**Sent:** Monday, 19 September 2016 09:28  
**To:**  
**Cc:**  
**Subject:** RE: OIAs

Hi

This figure hasn't been released previously through the OIA. I've had a chat with [redacted] this morning and as far as he is aware it hasn't appeared publicly yet either. What would you like me to do?

Thanks

| Southern DHB  
Private Bag 1921, Dunedin 9054, New Zealand | DDI [redacted] ext [redacted]  
[@southerndhb.govt.nz](mailto:southerndhb.govt.nz)

**From:**  
**Sent:** Friday, 16 September 2016 2:36 p.m.  
**To:** @southerndhb.govt.nz>  
**Subject:** FW: OIAs  
**Importance:** High

Hi

From [redacted] below.

---

Southern DHB, PO Box [redacted]  
[redacted], extension [redacted] | cell phone [redacted] | fax: [redacted]  
| [@southerndhb.govt.nz](mailto:southerndhb.govt.nz)

---

**Southern DHB**  
Kind – Manaakitanga | Open – Pono | Positive – Whaiwhakaaro | Community - Whanaungatanga

**From:** [redacted]  
**Sent:** Friday, 16 September 2016 2:23 p.m.  
**To:** [redacted] <[@southerndhb.govt.nz](mailto:southerndhb.govt.nz)>  
**Subject:** RE: OIAs

GTG if these have been released publicly previously

**From:**  
**Sent:** Friday, 16 September 2016 9:53 a.m.  
**To:**  
**Subject:** FW: OIAs

---

**Southern DHB**

Kind – Manaakitanga | Open – Pono | Positive – Whaiwhakaaro | Community - Whanaungatanga

**From:** [redacted]  
**Sent:** Thursday, 15 September 2016 12:55 p.m.  
**To:** [redacted] <[\[redacted\]@southerndhb.govt.nz](mailto:[redacted]@southerndhb.govt.nz)>  
**Cc:** [redacted] <[\[redacted\]@southerndhb.govt.nz](mailto:[redacted]@southerndhb.govt.nz)>  
**Subject:** FW: OIAs

Hi

Are you happy for the below response to go to Natalie Wilson?:

**Re Follow Up on Costs of Implementing Outsourcing of Foodservices to Compass:**

Follow-up Question was:

I acknowledge that the savings part of the question may not yet be determined. But surely the costs of implementing the change to Compass and the amount the SDHB paid for the business plan are now known. Seeking further clarification from you before proceeding to a complaint with the Ombudsman.

Our response:

“The Southern DHB incurred transition and mobilisation costs of \$1,235,454. These costs were incurred by Compass and invoiced to the DHB as part of the move from the in-house provision of food services to outsourced services provided by Compass. The costs incurred in this period include all mobilisation and transition management costs, along with employee termination and gratuity payments.

The cost of developing the outsourced food service business plan were incurred by New Zealand Health Benefits Ltd, now New Zealand Health Partnerships. Questions as to the total cost of developing the business case should be directed to New Zealand Health Partnerships.”

Thanks

| Southern DHB  
Private Bag 1921, Dunedin 9054, New Zealand | DDI [redacted] ext [redacted]  
[southerndhb.govt.nz](mailto:southerndhb.govt.nz)

**From:** [redacted]  
**Sent:** Wednesday, 14 September 2016 1:58 p.m.  
**To:** [redacted] <[\[redacted\]@southerndhb.govt.nz](mailto:[redacted]@southerndhb.govt.nz)>; [redacted] <[\[redacted\]@southerndhb.govt.nz](mailto:[redacted]@southerndhb.govt.nz)>  
**Cc:** [redacted] <[\[redacted\]@southerndhb.govt.nz](mailto:[redacted]@southerndhb.govt.nz)>; [redacted] <[\[redacted\]@southerndhb.govt.nz](mailto:[redacted]@southerndhb.govt.nz)>; [redacted] <[\[redacted\]@southerndhb.govt.nz](mailto:[redacted]@southerndhb.govt.nz)>  
**Subject:** FW: OIAs

Hi [redacted], amended wording for the Foodservice answer.

“The Southern DHB incurred transition and mobilisation costs of \$1,235,454. These costs were incurred by Compass and invoiced to the DHB as part of the move from the in-house provision of food services to outsourced services

provided by Compass. The costs incurred in this period include all mobilisation and transition management costs, along with employee termination and gratuity payments.

The cost of developing the outsourced food service business plan were incurred by New Zealand Health Benefits Ltd, now New Zealand Health Partnerships. Questions as to the total cost of developing the business case should be directed to New Zealand Health Partnerships.”

Cheers

**From:**  
**Sent:** Wednesday, 14 September 2016 12:34 p.m.  
**To:**  
**Subject:** RE: OIAs

, can we chat on this please when you are free

Cheers

**From:** |  
**Sent:** Wednesday, 14 September 2016 12:17 p.m.  
**To:** .. \_\_\_\_\_ @southerndhb.govt.nz>  
**Cc:** | \_\_\_\_\_ @southerndhb.govt.nz>  
**Subject:** RE: OIAs  
**Importance:** High

Hi \_\_\_\_\_ sorry for the delay. \_\_\_\_\_ can you have a look at my response to the follow up question on foodservice and let me/ \_\_\_\_\_ know if any changes are required.

**Response to OIA 1067:**  
**Question was:**

**Response:**

**Re Follow Up on Costs of Implementing Outsourcing of Foodservices to Compass:**  
**Follow-up Question was:**

I acknowledge that the savings part of the question may not yet be determined. But surely the costs of implementing the change to Compass and the amount the SDHB paid for the business plan are now known. Seeking further clarification from you before proceeding to a complaint with the Ombudsman.

**Response:**

The Southern DHB incurred transition costs of \$902,739 from October 2015 to end March 2016. These costs were incurred by Compass and passed onto the DHB as part of the move from the in-house provision of food services to

outsourced services provided by Compass. The costs incurred in this period include all patient and staff food, staff, utilities and transition management costs.

We are unable to provide the final cost of the business plan for the outsourcing of food services at this time. The business plan was a national plan prepared by Compass in conjunction with New Zealand Health Partnerships (formally New Zealand Health Benefits Ltd). The Southern DHB's final share of the cost of developing the business case will be dependent on the number of DHBs who adopt the service. Questions as to the total cost of developing the business case should be directed to New Zealand Health Partnerships.

Cheers

**From:**  
**Sent:** Wednesday, 14 September 2016 10:57 a.m.  
**To:**  
**Cc:**  
**Subject:** FW: OIAs  
**Importance:** High

Hi

I urgently need both of the below please.

Thanks

Southern DHB  
Private Bag 1921, Dunedin 9054, New Zealand | DDI  
[\\_\\_\\_\\_\\_@southerndhb.govt.nz](mailto:_____@southerndhb.govt.nz)

**From:**  
**Sent:** Monday, 12 September 2016 10:32 a.m.  
**To:** \_\_\_\_\_@southerndhb.govt.nz>  
**Cc:** \_\_\_\_\_@southerndhb.govt.nz>  
**Subject:** OIAs

Hi

A friendly reminder that the response to OIA 1067 needs to be with me tomorrow.

Also, have you had any luck with finding information about the costs of implementing the change to Compass and the amount the SDHB paid for the business plan?

Thanks

| Southern DHB  
Private Bag 1921, Dunedin 9054, New Zealand | DDI  
[\\_\\_\\_\\_\\_@southerndhb.govt.nz](mailto:_____@southerndhb.govt.nz)

From	Q#	Question	Response Updated 20 March 2015
	1	<p>We are concerned that the letters to members outlining how they may be impacted does not include clear and specific detail on what their situation would be should they not accept a transfer to Compass. I asked that all staff be written to again individually pointing these details out clearly and specifically.</p> <p>What is the information made available to the DHB for them to suggest in the consultation document that "it is likely that the future model would require fewer roles than at present"? I also want a copy of this information / data that has led to this comment.</p>	<p>as requested, a further letter to staff to be written</p>
	2		<p>The Business Case for Southern projects a potential reduction in total job (FTE) numbers of around 20% as a result of the proposed changes in the service delivery model. This percentage has been arrived at by HBL from information about current operations collected by HBL from Southern DHB in May 2013 and estimates provided by Compass Group as part of developing the proposed solution. Comprehensive mitigation strategies will be put in place to redeploy surplus staff elsewhere in the DHB or elsewhere in Compass. The intention of the DHB and Compass is to keep the net loss of roles as low as possible and thus avoid redundancies unless absolutely necessary. If the proposal proceeds, further detailed work would be completed by Compass Group during Mobilisation and Transition to confirm the exact number of FTEs required in the future state.</p>
	3	<p>Can the DHB please confirm in writing that <i>all feedback received will be provided to the board members un-abridged or altered.</i></p>	<p>This will be provided.</p>
	4	<p>What is the state of the independent review of the business case? And when will the PSA receive a copy of the review?</p>	<p>As you are aware our initial intention was to engage [redacted] to undertake the independent review along the lines of the Auckland Metro review. The delay in our agreeing on the independent reviewer led to delay in engaging his services, and he is no longer available to provide a review in a timely manner due other commitments. Notwithstanding this, Mr [redacted] review of the Food Services Business Case that he undertook for the Auckland Metro DHBs is largely applicable to SDHB as well. This report has already been provided to you. The primary area where the case for SDHB differs from the case for the Auckland Metro DHBs is with respect to the financial dimensions of the case. SDHB is seeking to engage an accounting firm to conduct a review of the financial dimensions of the business case. The Terms of Reference will be available once agreed and the review will conclude as soon as practicable. Staff and unions will have an opportunity to submit a supplementary submission on matters arising from this review.</p>

From	Q#	Question	Response Updated 20 March 2015
	5	What is the breakdown on the \$1,120,000 costs in the first year? Specially the exactly how this figure has been arrived at and how each dollar will be spent.	<p>As was set out in the financial summary provided to support consultation, the \$1.12m provision in year 1 relates to:</p> <ul style="list-style-type: none"> <li>- \$840k for the costs associated with the mobilisation project team, technology implementation and related change management costs. This figure reflects SDHB's share of mobilisation costs to implement the proposed Food Services solution. Of this figure, \$360k relates to a share of national mobilisation costs, \$170k relates to mobilisation costs that are specific to Southern DHB, and a \$310k provision has been included for any redundancy costs. This redundancy provision is based on a national estimate of projected numbers, a portion of which has then been allocated to Southern DHB on the basis of population size. It has been included as a planning assumption to ensure the Business Case is robust and provides a conservative estimate of potential benefits. It should not be taken as indicative of numbers of staff who may receive redundancy compensation.</li> <li>- \$190k for costs associated with the management of food services during the transition period.</li> <li>- \$60k for Business Case Costs. This reflects costs already incurred by HBL on behalf of Southern DHB to develop the Food Services Business Case for consultation. The total amount payable in this regard is \$280k – spread over the first five years of the contract.</li> <li>- \$30k for Sector Implementation costs. This reflects an estimate of additional costs expected to be incurred by Southern DHB to implement the proposed Food Services solution. The total amount payable in this regard is \$150k – spread over the first five years of the contract.</li> </ul>
	6	Proposal document - why is financial information not explicit in front part of document	We believe the consultation document is appropriately framed.
	7	What is satisfactory outcome of consultation mean - definition of what is "satisfactory outcome"	Satisfactory in this context relates to the requirement to satisfy the board that the consultation process has provided the opportunity for all impacted parties and wider DHB stakeholders to contribute feedback on the proposal. A satisfactory consultation process informs all stakeholders of the proposal and provides the channel for feedback to the board on the perspectives of the DHB stakeholders in making their final decision with regard to considering the fullest implications of the business case.
	10	At the steering group meeting – 10 February – I asked for the total kitchen salary costs and a breakdown of the salary bands.	See attached table, also relates to Q.12, 13 and 14. Total Food Services salary costs, relating to the salary bands table, are \$3,365,146. The total employee related costs for food services for the 2013/14 year were \$4,651,600.
	11	I also asked for the setup and running costs of the CBord system. When can I expect a response to that request?	The total cost of implementing CBORD for SDHB was \$287,535 in April 2013. This included the CBORD software product and its implementation costs, dietetic resource and the interface required to link with our other systems. As at today our current book value equates to \$234,820. There is a \$30,922 per annum licence fee.
	12	I am seeking a breakdown of the salaries paid to non-medical staff in salary bands and numbers of employees in each of those bands. If that information is available elsewhere please advise of same	see Q10
	13	My intention is to also request the same information for two years ago. So if you would like to provide that at the same time please do so.	see Q10
	14	There is a separate request for food services salaries / bands..... with	see Q10



From	Q#	Question	Response Updated 20 March 2015
	15	Need to provide clarity of Peer Review of Independent Review of national Standard - was this report peer reviewed	The nutritional standard was developed by a group of 8 representatives of the DHBs, constituted as the Food and Nutrition Advisory Group. The nutrition and menu specification for the contract that resulted has been subjected to an independent review undertaken by Heather Spence of Food Management Group, on the recommendation of Dietitians NZ executive. The report was peer reviewed.
	16	Conflict between code of Good Faith for public organisation and how can cover Compass which is a private organisation	Compass group will be bound by the Code of good faith while providing services to a DHB - see clause 1 of the Code.
	17	Who is paying for training required	Compass Group would provide training to all staff who require it. This would include staff outside Food Services, such as dietitians and nursing staff, where their role in supporting food service would change. During the transition period, timing of training would be managed carefully to ensure service continuity is not affected.  On an on-going basis, Compass Group intends to run a comprehensive induction process for new joiners to the team, which would include familiarity with DHB operations. In addition, Compass Group offers a training programme for its staff that is linked to the NZQA framework.
	18	What stops Compass from preventing any other food being bought into the organisation such as family bringing in food for a patient	If signed, the contract with Compass Group will cover the provision of food and cafeteria services only. Compass will have no control over any other aspect of service provision within the organisation.
	19	Will there be a separate Compass staff room	Compass staff will be treated the same as other contracted staff with regards access to DHB facilities. If there are already areas within food services that are used by staff, it is envisaged they will be able to continue to do so.
	20	How will privacy related to patient information be managed	The National IT Health Board considered the proposal from Compass Group to manage patient information required to provide meal service but also meet the Sector privacy of information requirements. Hosting patient information as part of the Food Service information requirements on the Compass IT systems have been assessed as meeting the Health Sector requirements for privacy and security. There are the same obligations on DHB employees and Contractor employees regarding confidentiality of patient information.

From	Q#	Question	Response
	21	Dietary requirements differ for regions but why being treated the same over the country	<p>Updated 20 March 2015</p> <p>Diet specifications for clinical and personal circumstances are common, but need to be aligned to individual patient diet requirements. These are recognised through assigning dietary, allergen, clinical and other information relative to the specific circumstances to each patient associated with their admission.</p> <p>Historically there has been no consistent nutritional standard across the public hospitals and this has been developed as part of the Food Service Agreement proposed. It will allow for consistent quality, benchmarking across the sector and economies in purchasing.</p> <p>Cultural, ethnic, religious and other drivers of patient choice are also addressed through the resultant menu developed to meet these standards. Meal volumes included in the specification include the requirement for large and small portions, and there is provision for the DHB to select options around meal service models to accommodate local requirements within the Food Service Agreement, should the DHB proceed with this proposal</p>
	22	Vending machines - who is paying for the electricity	The vending machines are not within scope of the proposed contract, so all responsibilities, including costs, will remain with the DHB
	23	Waste Management - information in document - want clarified - Compass or DHB as it says both	The collection and management of waste generated by the Food Services is the responsibility to Compass Group. That responsibility is completed when the waste is collected and delivered to the DHB waste consolidation area for collection by the DHB contractors. In this way there is a joint accountability to ensure waste requirements throughout food service are addressed.
	24	Retail profit - is DHB getting a cut	Compass Group would operate the staff cafeterias should the proposal proceed. The business case includes a share of the revenue generated with the DHB, noting that there are provisions in the proposal that allow the DHB to also control cafeteria pricing.
	25	What are the fitout obligations and what are they, what are the costs	<p>Compass would acquire the majority of the current DHB kitchen equipment under the proposal. They would also be required to provide all new and replacement items of Capital Expenditure and maintain these items through the contract. Some changes to kitchen configuration may be required to support the new delivery model. These requirements will be confirmed as part of asset due diligence to be conducted during mobilisation.</p> <p>The DHB would retain ownership of the major dishwashers and built in freezers (including maintenance of these). The DHB would also be required to provide the infrastructure and utility connections (power, water, gas, ventilation, air-conditioning etc.) for Compass to connect to.</p> <p>The DHB would remain accountable for the building maintenance associated with the kitchen.</p>

From	Q#	Question	Response Updated 20 March 2015
	26	Has the SDHB explored all options?	<p>The Indicative Case for Change was predicated on a 'national outsourced approach' (page 4 of the Food Services ICC) following work on defining options that began in 2011. HBL invited responses to the Expression Of Interest and the SIA, on behalf of all DHBs in the Southern Region, indicated to HBL that they would respond. In the end, the SIA chose not to respond. As a consequence, HBL narrowed down to a shortlist of commercial providers to respond, with ultimately a single provider submitting a binding offer. A business case was then developed which culminated in options for national and regional Food Services models, which were then refined through negotiation, followed by consultation.</p> <p>HBL's business case calculates benefits against future projections of operational and capital costs for the next 15 years, versus projections for the current state. In the case of Southern, the HBL model of cook chill/cook freeze operated by Compass using a national nutrition standard, compares against our current state, which is an internal kitchen model utilising cook-fresh/cook chill, with no reference to a national standard.</p>
	27	what if any capital expenditure is necessary to keep the work in house.	The DHB will be required to replace a blast chiller and dishwashers on both sites in the near future. All equipment is required to be replaced as part of a general equipment replacement .
	28	what investigations have been done about achieving savings without contracting out the work.	As per question above
	29	Is Compass' 15 year contract predicated on patient numbers remaining static?	The contract is not predicated on a guaranteed number of meals, rather the price per meal is adjusted where there are material changes in volume (up or down) across the Sector over the life of the contract. The total price paid by a DHB in any given period is a multiple of meals served times the cost of a meal, as set out in the contract.
	30	We are told the future lies in services being provided in the community, thus surely hospital patient numbers will decline? Is that factored in?	The Business Case has used future volume projections in order to calculate the net present value of the benefits. This data set was provided by the Ministry of Health and validated by each of the DHBs.
	31	Also, where are the meals going to come from? This still hasn't been answered, even in the consultation document.	<p>All meals will be prepared in the DHB's onsite kitchens in Invercargill and Dunedin. Compass Group has committed to sourcing 95% of menu items from local suppliers, where the food items are available and/or produced in NZ (e.g. exclusion of Bananas / Pineapple)</p> <ol style="list-style-type: none"> <li>1. Bakery items – 95% of product from local sourced locally.</li> <li>2. Fruit/Vegetables – Fruit &amp; Vegetables will be sourced from South Island growing regions where seasonally available.</li> <li>3. Meat – 22% of the red meat dishes proposed on the menu are made with meat locally.</li> <li>4. Food Distribution – all grocery items are procured and delivered through local distribution</li> <li>5. Kitchen Equipment – Compass Group works extensively across New Zealand with a locally based business to source equipment for kitchen operational requirements.</li> </ol>

From	Q#	Question	Response Updated 20 March 2015
#32-85 received from 4 March 2015	32	<p>What is "a satisfactory outcome of consultation"?</p> <p>Without a definition or explanation staff cannot easily comment or respond as they do not know the parameters of such a statement.</p> <p>Refer Page 3, para a. - Message from</p>	See Q.7
	33	<p>What criteria / parameters will satisfy the board - and what guidelines will be used to quantify the satisfaction level required to proceed with contracting out?</p> <p>Refer Page 3, para b. - Message from</p>	See Q.7
	34	<p>What are the exit and / or exit provisions of the contract and how can the board make any decisions without such information?</p> <p>Refer: Page 3, para b. - Message from</p>	
	35	<p>"These are not yet at a detailed level." Given the acknowledgement of the lack of detail how can the board come to a fully informed decision whether to contact out or not?</p> <p>The board is asking for feedback / submissions without full disclosure / knowledge of the facts, especially so given that Compass will be making the changes and not the DHB.</p> <p>Refer: Page 4, Summary of Proposal, s1.2. Potential impacts on staff. Para 1.</p>	<p>The consultation at this stage relates only to the high level proposal to enter into a national arrangement for the provision of Food Services to Southern DHB - the detailed impacts on individual staff are not yet known. If the decision is made to proceed, a further detailed consultation would occur with affected staff with respect to the impact on individuals. All information about the potential impacts on individual staff members that are known at this time has been provided to staff.</p>
	36	<p>What other options have been explored for savings by SDHB in terms of Food Service other than contracting out?</p>	
	37	<p>What research has SDHB undertaken to verify the ongoing viability of contracting out Food Services in comparison to overseas experience of contracting out?</p> <p>Comment: What does overseas experience tell about contracted out food services. What research has been done re contacting out and the outcomes of same.</p>	
	38	<p>If SDHB contracts out to Compass but other DHB's do not then will the projected savings remain as expected or increase or will the contract price be renegotiated based on reduced numbers of DHB's in the contract?</p> <p>Comment: Current projected savings \$7.26m over 15 years = \$484,000 pa. That figure is subject to 'national agreement' and assumes all DHB's Food Services are contracted out.</p> <p>Refer: Page 8</p>	<p>The contract Southern DHB is proposing to join includes a mechanism which allows pricing to be varied in the event that some DHBs decide not to participate (i.e. if meal volumes are less than 100% of the Sector). Prices can only vary within a pre-determined band based on the number of participating DHBs and their meal volumes.</p> <p>Southern DHB is currently projecting benefits of \$7.26M over 15 years – assuming 60-70% of national Food volumes become covered by the national arrangement. These benefits could vary (up or down) depending on the number of other DHBs that choose to participate in the arrangement.</p>

From	Q#	Question	Response Updated 20 March 2015
	39	Has the board considered the impact of contracting out on the local economy / businesses beyond mere financial savings?	Compass proposal includes sourcing approximately 95% of products from NZ where these items are available from local sources (exclusions would be for imported products such as Bananas, pineapples, etc. not locally produced.) in the local context of Otago Southland, Compass will work with local suppliers for input of products to both the local and national Food Service proposal requirements. Examples: Bakery, meat and retail requirements would be predominantly locally sourced in the region, subject to the final proposal. Pasta dishes for the majority of all DHBs will come from a local facility. In addition, Compass main supplier for all their commercial kitchen light equipment is the Dunedin based business. Local supply and distribution of Food Products to the DHB kitchens will be provided by a distributor from Dunedin and Invercargill distribution centres.
	40	What are mobilisations and transition costs? Refer Page 8	See Question 5.
	41	How will SDHB protect itself against "too big to fail" by the contractor?	Compass Group is currently contracted to seven DHBs, providing 44% of patient meals in New Zealand, including to remote locations, and has a range of other food service clients in New Zealand. Compass has a strong record in the delivery of food services in New Zealand and abroad, servicing over 2000 hospitals globally. In the event Compass Group were to fail to deliver on its contractual obligations, the contract provides a performance management framework, which could include financial penalties, and which could ultimately lead to the DHB taking back control of the service. In his review of the Business Case, noted that "there is market capability of alternative service provision with adaptive capability if required".
	42	Implementation Costs and Benefits Table: Why are the "Implementation Costs" notes 2 and 3 not provided? Refer Page 9 Table	
	43	Who provides the kitchen hardware, plant and machinery? If DHB does, so then who is responsible for maintenance / upgrades?	See Question 25.
	44	Is the DHB only interested in saving money regardless of the consequences for others?	The national contract requires Compass Group to deliver to specified national standards.
	45	Has the DHB consulted with the volunteer drivers about the proposed change and the arrogance to assume that Compass will direct Meals on Wheels drivers?	During this consultation period the DHB is consulting with those parties that are directly affected. MOW volunteer drivers are not materially affected as they would be picking up and delivering hot meals from same place and to the same people. Meeting with Age Concern to discuss proposal.
	46	Has the wider community been consulted / asked for their views / thoughts on contracting out of food services? If so, who, which community groups.....?	During this consultation period the DHB is consulting with those parties that are directly affected. The community is not materially affected by this proposal but feedback from the community is being received and will be forwarded to the Board along with the other submissions/feedback received.
	47	Who will pay for the training of non food services staff where training is required due to the new regime? What is the cost of the training? Have those costs been factored into the cost projections?	See Question 17
	48	Who pays for the power, water, waste disposal by food services (Compass) if contracted out?	See Question 25

From	Q#	Question	Response Updated 20 March 2015
	49	<p>What guarantees can the DHB give that visitors will not be prohibited from bringing food into the hospital thus protecting the contractors commercial interests?</p> <p>Comment: For example: Fun parks / stadiums prohibit foodstuffs being taken on site to protect their business. Or patients ordering a Pizza delivery?</p>	See Question 18
	50	<p>Has the DHB asked those who receive meals on wheels what they think of the proposed changes? If they did what did they have to say?</p>	See Question 46
	51	<p>If all DHB's engage Compass for the provision of food services what will prevent Compass from using its monopoly position to abuse its monopolistic position?</p>	<p>Legal advice has been sought on this matter, which indicated that - were a national arrangement to come into effect - this would not be a national food services monopoly. independent review states that "there is market capability of alternative service provision with adaptive capability if required".</p>
	52	<p>How will the board enforce compliance with the good faith provisions Code of Good Faith for Public Health Sector and Good Employer requirements when Compass is private sector and can impose whatever policies it likes?</p> <p>NB: This document is an agreement relevant to Auckland DHB's / Compass not SDHB. Question based on assumption SDHB are in agreement.</p> <p>Document: Good Employer Commitment. Auckland Metro DHB's - Food Services: Decision Document. Page 3, Contractual mechanisms</p>	<p>We recognise the importance of good employment relationships in the delivery of a high performing food service and achieve good patient outcomes. Contractual KPIs are the appropriate tool to manage a provider on an outcomes basis - good employer/employee relations are best managed through the development of a strong relationship between the key parties.</p> <p>Compass Group and the DHBs have agreed a series of actions they will jointly take to provide assurance that Compass Group meets its good employer obligations. This includes provision for regular reviews of team engagement with unions, the DHBs and Compass, and information sharing between the parties.</p> <p>In the event sustained breaches of these agreed actions were to occur, this would be treated as a breach of the Agreement.</p>
	53	<p>What assurances can the SDHB give tax-payer, public, patients, staff and employees that services will not be reduced to cost cut as has happened recently in the cleaning services at the hospital?</p>	<p>The arrangement with Compass Group will provide clear standards that need to be met with respect to nutrition and service provision. Compass Group would be required to meet these standards, and there would be financial consequences where these are not met.</p>
	54	<p>Will Compass employees have their own staff room?</p>	See Question 19
	55	<p>Will there be further consultation where the model is changed as a result of the feedback from this consultation?</p> <p>Comment: "Any decision to proceed may include changes to the Food Services model proposed here as a result of feedback received"</p>	<p>Whether or not a further consultation process is required will depend on the significance of the level of change proposed. There is sufficient case law to determine what 'significant' means.</p>
	56	<p>Page 4, s1.1. The proposal and this consultation. Para 5, second last line.</p> <p>As the employees are being traded like cattle does the board not feel it has a moral obligation to reject the proposed privatisation?</p>	<p>Southern DHB values its staff - and we recognise that a number of staff have worked in our kitchens for a long time and are very loyal to the DHB.</p> <p>We recognise there is uncertainty about the change that the future model might bring. While it is expected that some roles will be disestablished, the DHB and Compass Group are committed to keeping any redundancies to a minimum - and as a last resort. They will seek to redeploy staff across Compass Group's business and the DHB, including retraining where appropriate. Unions will play a role in an advisory group to oversee this redeployment process.</p>

From	Q#	Question	Response Updated 20 March 2015
	57	To date how much has this process cost?	Southern DHB - together with all other New Zealand DHBs - has been participating in a national process, facilitated by Health Benefits Limited, to look at options for the provision of Food Services within DHBs. The cost of that process is spread across all DHBs. Each DHB will pay a 'Business Case Cost' that is proportionate to their population to cover the cost already incurred in developing the proposal. For Southern DHB, this is approximately \$230k.
	58	What is meant by "amenity improvements"? Page 11, s3.4, Cafeteria Services	The proposal includes the review of configuration, range, fittings & features, and physical layout of the cafeterias. This would be completed with staff consultation and input to ensure cafeterias provide the most appropriate amenities for staff cafeteria requirements.
	59	If Waitaki District Health moves elsewhere what impact will that have on the outsourcing proposal?	
	60	Meals on Wheels will change from being prepared on site to frozen meals - have the recipients of the MoW service been told and agreed to this change? Refer: Page 16, s5.1, Proposed changes by site. Dunedin Hospital.	
	61	Will the board take cognisance if the staff object to the staff cafeteria being outsourced and if so what will happen to the cafeteria? Page 16, s5.1, Proposed changes by site. Dunedin Hospital.	All feedback will be considered.
	62	Will the board recognise and adhere to the staff objection to public access to the cafeteria?	This issue is out of scope of the current consultation process regarding the outsourcing of Food Services to Compass Group. The DHB is still working through this issue of public access to the staff cafeterias, is considering the staff responses provided, and has yet to make a decision regarding whether or not to change the current restriction on the public access to the Dunedin Hospital cafeteria. The public currently access the Southland Hospital and Wakari Hospital cafeterias.
	63	Cool chill method implies less freshly produced food because more meal components ready prepared would be used. So the food will no longer be fresh and freshly prepared? Refer: Page 16, s5.1, Proposed changes by site. Dunedin Hospital.	Both Cook Fresh and Cook Chill preparation methods make use of fresh and frozen ingredients (e.g. vegetables), pre-prepared ingredients (e.g. peeled, sliced, diced or chopped fruit and vegetables) and pre-prepared meal components (e.g. yoghurt punnets, chilled pasta dishes). The main difference is that the Cook Chill method uses a greater proportion of pre-prepared meal components than the Cook Fresh method. Southern DHB already pre-prepares meal components to be reheated closer to meal time.
	64	Meals on wheels frozen individual meals? Re-heated later? Risks associated with reheating previously reheated meals? Refer: Page 16, s5.1, Proposed changes by site. Dunedin Hospital.	The temperature control requirements in the MOW process are known to present risks both now and in the future. Food Safety training and temperature monitoring requirements would be addressed through the volunteer delivery network. The requirement to provide a hot meal is a condition of the MOW Specification from the Ministry of Health. Where the delivery / travel time to deliver this meal means it cannot be delivered hot, or where recipients request, the meal can be delivered frozen and this option would be provided. It is proposed that on the packaging of all meals, a clearly visible advisory note not to re-heat will be applied.

From	Q#	Question	Response Updated 20 March 2015
	65	Frozen meals versus fresh meals?	The individual snap frozen meals proposed for Meals-on-Wheels will be prepared using the latest technology in packaging and freezing to ensure the highest quality meals are produced. Meals will need to comply with the Ministry of Health published standard for Meals-on-Wheels. Recipients will still receive a hot meal to their door (which is also a requirement of the standard). Recipients will still receive a hot meal to their door (which is also a requirement of the standard). Where travel distance is beyond reasonable expectations to retain the delivered meal as hot, and in some locations where week-end meals are provided, the Meals-on-Wheels standard provides for supply of frozen meals, current practice in some DHBs. Volunteers involved in delivery will receive Food Safe training relative to meal deliveries and meals will be labelled with Food Safe instructions.
	66	Will frozen pre-packed meals not generate more waste?	With procurement of pre-prepared menu items from suppliers, it is expected that there would actually be a reduction in waste.
	67	Where training is necessary a) who will provide that training, b) what will be the cost of that training, c) has that been factored into financials and how much will it cost?  Refer: Page 17, Proposed change impact.	See Question 17. Duplicates Question 47.
	68	a) How many overseas trips were undertaken by SDHB staff who were involved in this project, b) how many staff, c) at what cost, d) and to where, e) why?	Assuming this question relates to trips undertaken as part of this project, the answer is "none".
	69	The Good Employer Commitment reads more like an employee compliance list, will the board adhere to this document?  Document: Good Employer Commitment. Auckland Metro DHB's - Food Services: Decision Document.	See Question 52.
	70	The Nutrient Analysis Report was prepared by Food Management NZ Ltd which is private sector. Was the report verified or peer reviewed in any way. If so, by who? If not why not?	
	71	Refer: Anonymised Results - Nutrient Analysis Report Why was the proposed national food services model piloted before proceeding to the extent it has so far?	The proposed model is currently being implemented at the three Auckland Metro DHBs. Lessons learned from this implementation process, and from the delivery of services there, will be used to improve the model for other DHBs that choose to become a part of it. Compass Group is currently contracted to seven DHBs, providing 44% of patient meals in New Zealand, including to remote locations, and has a range of other food service clients in New Zealand. Compass has a strong record in the delivery of food services in New Zealand and abroad, servicing over 2000 hospitals globally.
	72	HBL claim projected savings are derived from "An increase in revenue to DHB"s from retail operations. What retail operations is SDHB involved in? Is the SDHB to receive a return on staff cafeteria sales?  Document: HBL Food Services Business Case  Refer: Page 44, s1.3, Financial Impact - sub para d.	The scope for retail included in the contract proposed, is limited only to the staff cafeterias at Dunedin, Invercargill and Wakari hospital sites. Within the Food Service proposal there are a range of options for the DHB to receive a share of the revenue from these facilities, noting also that the DHB has the ability to ensure appropriate pricing to ensure meals are appropriate and affordable across the range of staff.



From	Q#	Question	Response Updated 20 March 2015
	73	Compass will be required to use names and NHI numbers on packaging and given Compass will 'manage' meals on wheels. What provisions will be in place to protect the information given to Compass to fulfil their role against corporate misuse of that information. E.g. selling names and contact details.  Document: Service Requirements	See Question 20
	74	a) Will food heating equipment in the Staff Cafeteria where staff can heat their own meals? b) if so who provides the equipment Compass or SDHB? c) if not why not?  Comment: "The Service Provider must be allow staff to bring their own food into the cafeteria"  Document: Service Requirements Refer: Page 19, s6.3.	If there are currently microwaves provided in a staff cafeteria, this will continue. Who provides the equipment is still to be determined if the proposal to outsource is approved.
	75	What is the staff cafeteria 'pricing formula'?  Document: Service Requirements Refer: Page 19, s6.3.	The pricing formula is to be finalised between Compass and the SDHB, based on final proposal. Capital improvements will be funded by Compass subject to the appropriate return on investment. The DHB will be able to participate in receiving a share of revenue, the level of which is dependent on whether the DHB chooses to have control or input to pricing decisions and the amount of Capital Investment.
	76	Has the DHB looked at the option of becoming a food service provider to e.g. Schools, to offset the food services department running costs?  Comment: A Union member question	This is not DHB core business.
	77	Why doesn't the government reduce the number of DHB's - 20 is too many. Potential savings are significant.  Comment: A union member question	This issue is out of the scope of the current proposal to outsource Food Services to Compass Group. However, the Otago and Southland DHBs have already merged to form Southern DHB, and have no plans for further mergers.
	78	Why does the DHB not restructure the current management which is top heavy?  Comment: A union member question	This issue is out of the scope of the current proposal to outsource Food Services to Compass Group.
	79	Comment: A union member question	N/A
	80	Treated as submission so removed from question list. Why won't the board meet with the staff?  Comment: A union member question	The Board has met with a Service and Food Workers Union Organiser and delegates on at least 2 occasions to date (the Amalgamated Workers Union organiser also attended the most recent meeting, on 05 March 2015). Senior Management of the DHB regularly meet with staff and their representatives.
	81	Many of us don't want to transfer. Why won't the board let us be made redundant instead of transferring?  Comment: A union member question	Part 6A of the Employment Relations Act requires that all affected employees must be offered the opportunity to transfer to the new provider. If an employee elects not transfer and the employment with the new employer would have been on the same terms and conditions (which is the requirement if the proposal to outsource to Compass Group goes ahead), then the conditions set out in the employees Employment Agreement continue to apply. The employment agreements of all of the affected employees at SDHB set out that, if an employee elects not to transfer then the SDHB is not required to pay redundancy compensation.
	82	Will the board get to see all of our submissions without interference or cutting out parts?  Comment: A union member question	Refer to Question 3

From	Q#	Question	Response Updated 20 March 2015
	83	Why not allow people to opt out of transfer by way of redundancy?  Comment: A union member question	Refer to Question 81
	84	Members are not convinced of the genuineness of Compass and do not trust them. What assurances can the board give its food services staff?  Comment: A union member question	Compass Group and the DHBs have agreed a series of actions they will jointly take to provide assurance that Compass Group meets its good employer obligations. This includes provision for regular reviews of team engagement with unions, the DHBs and Compass, and information sharing between the parties.
	85	Who will hold our retirement gratuity - DHB or Compass? If Compass what guarantee do we have they won't go broke and lose all our money? What protection will we have?  Comment: A union member question	Your eligibility for a retirement gratuity would not change. Compass Group would pay this to you - and the DHB would reimburse Compass Group for a proportion of that cost. In the event Compass Group were to go broke, your employment would be protected by Part 6A of the Employment Relations Act - and you would likely have the option to transfer to the DHB or another provider. This organisation would then become responsible for ensuring you receive all entitlements due to you - including retirement gratuities.
	86	Where will the frozen meals on wheels be produced. This does not refer to the final heating/plating. It refers to where the frozen meal is produced.	Compass Group is working with an Auckland based supplier to supply the individual snap frozen meals for the meals on wheels solution.
	87	I understand the meals on wheels are to be subcontracted to a different provider. If so, where is that process at now? Who is the provider, and where are they based?	Compass Group is working with an Auckland based supplier to supply the individual snap frozen meals for the meals on wheels solution.
	88	How will the frozen meals be transported to the Dunedin?	Meals will be distributed around NZ by truck, a stock of meals will be held in a Dunedin based distribution centre.
	89	How will the frozen meals be transported to Invercargill?	Meals will be distributed around NZ by truck, a stock of meals will be held in an Invercargill based distribution centre.
	90	What are the contingency plans in the case of a snow storm or similar adverse event?	The contingency for each site would be determined during a planning phase to ensure any these are developed in accordance with individual hospital site conditions of the DHB e.g. snow. These will be finalized and agreed with the DHB prior to any change in the service delivery model.
	91	How often will transportation of meals to Dunedin/Invercargill happen (once a week, once a day, etc.)?	This will be determined as part of a planning phase prior to any change being implemented. Deliveries of food into the hospital kitchens will be based on the volume requirements and the onsite storage available.
	92	The consultation document said cook chill meals involve a greater amount of pre-cooked ingredients. Where will the pre-cooked parts of the meal be produced?	The pre-prepared components of the meals will be prepared by specialist suppliers based in a number of different regions of New Zealand e.g. Tauranga, Mount Maunganui, Dunedin, Auckland
	93	If they will be produced in more than one centre, please name them all. Please identify the centre in which they will be mostly produced, and identify the actual facility.	The pre-prepared components of the meals will be prepared by specialist suppliers based in a number of different regions of New Zealand e.g. Tauranga, Mount Maunganui, Dunedin, Auckland
	94	How will cook chill components be transported to Dunedin and Invercargill?	Pre-prepared menu components will be distributed around NZ by truck, a stock will be held in a Dunedin based distribution centre.
	95	What is the contingency plan for bad weather?	The contingency for each site would be determined during a planning phase to ensure any these are developed in accordance with individual hospital site conditions of the DHB e.g. snow. These will be finalized and agreed with the DHB prior to any change in the service delivery model.

From	Q#	Question	Response Updated 20 March 2015
	96	Would Compass ever consider subcontracting the patient meal component to a third party?	Compass Group plans to utilize specialist suppliers to provide pre-prepared meal components for patient meal services. The proposal does not include a plan to sub-contract the delivery of patient meals services.
	97	Also, what does local supplier mean? For instance, Otago/Southland; South Island; or New Zealand as a whole?	Compass Group has committed to sourcing 95% of menu items from local suppliers, where the food items are available and/or produced in NZ.
	98	What percentage of the meal ingredients does Compass expect to source in Otago and Southland?	<ul style="list-style-type: none"> <li>• Bakery items – 95% of product from local sourced locally</li> <li>• Fruit Vegetables – Fruit &amp; Vegetables will be sourced from South Island growing regions where seasonally available</li> <li>• Meat – 22% of the red meat dishes proposed on the menu are made with meat locally</li> <li>• Food Distribution – all grocery items are procured and delivered through a local distributor.</li> <li>• Kitchen Equipment – Compass Group works extensively across New Zealand with a Dunedin based business to source equipment for kitchen operational requirements</li> </ul>
	99	Usually financial projections come with a set of assumptions - What are the assumptions?	Response provided to unions by email on 11 March 2015
	100	How were the "Projected Spend" figures arrived at?	Refer to Question 5
	101	What percentage of the savings were coming from Staff, Procurement and Delivery?	Refer to Question 38
	102	We are also yet to receive a formal response in regards to our preferred independent reviewer has anyone managed to check his references yet?	Compass Group's internal pricing structure is commercially sensitive information. Response provided to unions by email on 11 March 2015

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**From:**  
**Sent:** Friday, 23 September 2016 14:30  
**To:**  
**Cc:**  
**Subject:** RE: OIA re food service transition costs

We are only releasing what we have already released publicly

**From:**  
**Sent:** Friday, 23 September 2016 1:02 p.m.  
**To:**  
**Cc:**  
**Subject:** FW: OIA re food service transition costs  
**Importance:** High

Hi

I've had a go at re-wording the response below. I've just been talking to [redacted] about it. He was under the impression that we wouldn't be responding at all because the staffing costs weren't yet finalised, whereas I thought that we could respond with known costs already paid (and made public in the release that [redacted] provided) but just not include the figures relating to staffing which aren't yet fully known.

What's your understanding?

Thanks

Private Bag 1921, Dunedin 9054, New Zealand

**From:**  
**Sent:** Tuesday, 20 September 2016 11:02 a.m.  
**To:**  
**Subject:** FW: OIA re food service transition costs

Hi

Will try and catch-up with you re the below email trail. Can you please help me with re-wording this?

If I am following correctly, the response might be re-worked to read:  
"The Southern DHB incurred transition and mobilisation costs of \$810,000 in the first year. These costs were incurred by Compass and invoiced to the DHB as part of the move from the in-house provision of food services to outsourced services provided by Compass. This figure includes costs associated with the mobilisation project team, technology implementation and related change management costs, but it does not include costs relating to employee termination and gratuity payments which are still to be finalised.

The cost of developing the outsourced food service business plan were incurred by New Zealand Health Benefits Ltd, now New Zealand Health Partnerships. Questions as to the total cost of developing the business case should be directed to New Zealand Health Partnerships."

I got the \$810,000 figure from question 5 of the attached spreadsheet. I basically just left out the \$310,000 that it lists as being a national estimate of redundancy costs...

Hopefully talk soon

Thanks

Private Bag 1921, Dunedin 9054, New Zealand |

**From:**  
**Sent:** Monday, 19 September 2016 8:09 p.m.  
**To:** \_\_\_\_\_  
**Cc:** \_\_\_\_\_  
**Subject:** RE: OIAs

Agree please redraft and confirm wording with  
Thanks

**From:**  
**Sent:** Monday, September 19, 2016 5:51 PM  
**To:**  
**Cc:** \_\_\_\_\_  
**Subject:** RE: OIAs

So until we have that assurance as I assume it could be material is it better to delay saying we are still finalising transition costs around staffing?

**From:** I  
**Sent:** Monday, 19 September 2016 4:44 p.m.  
**To:** \_\_\_\_\_  
**Cc:** ! \_\_\_\_\_  
**Subject:** RE: OIAs  
**Importance:** High

Hi

Firstly I have included the spread sheet of answers that have gone out to unions and community regarding questions that were asked during the consultation process.

Question 5 includes all the financial information that went out around the mobilisation/implementation year 1 costs. This has been released into the public arena.

In response to the question around the interpretation of X – the purpose of employing people on a fixed term role once the board agreed to consult, was to reduce the need for redundancies. Therefore if the fixed terms were considered part of the difference between our X and Compass Y then we would have had less redundancies so less transition cost

Cheers

Private Bag 1921, Dunedin 9054, New Zealand | 0  
Kind – Manaakitanga | Open – Pono | Positive – Whaiwhakaaro | Community – Whanaungatanga

**From:** ( )  
**Sent:** Monday, 19 September 2016 2:48 p.m.  
**To:** ( )  
**Cc:** ( )  
**Subject:** RE: OIAs

Just a thought we have a difference of opinion of one of the items factor X , which we are getting further opinion on by NZHP.

( ), if you are correct , could this change the overall transition costs?

Regards