



Te Puni Kōkiri  
MINISTRY OF MĀORI DEVELOPMENT

Te Kāwanatanga o Aotearoa

# Te Puni Kōkiri Whānau Ora Commissioning Services

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## Procurement Plan October 2024



# Approvals

## Approval of this procurement plan

**Process type:** Open competitive tender (Registration of Interest (ROI) followed by Request for Proposals (RFP))

**Whānau Ora Steering Committee**

Deputy Secretary, Governance (Board Chair)

Deputy Secretary, Regions (Project Sponsor)

Deputy Secretary, Policy (Board member)

Deputy Secretary, Strategy (Board member)

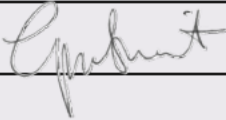
General Manager, Investments, Regions (Board member)

General Manager, Regional Support & Alignment, Regions (Board member)

General Manager, Data Insights and Monitoring, Strategy (Board member)

General Manager, Development, Policy (Board member)

Chief Advisor, Regions (Board member)

Signature:	Date:
Signature:  Grace Smit	Date: 9/10/2024
Signature:	Date:
Signature:	Date:
Signature:	Date:

Authority to tender

## Project Sponsor

**Approval to:** Go to market and identify preferred respondents for Whānau Ora Commissioning Services.

**Tender start:** 4 October 2024



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**Agreement term:** To contract commissioning agencies under Outcome Agreement across four regions.

Initial term: Six years from 1 July 2025 to 30 June 2031, subject to annual Budget commitments

2 x Right of Renewals of three years each exercisable by Te Puni Kōkiri by written notice to a commissioning agency no later than 12 months prior to the expiry of the initial term or the first renewal term (as applicable).

Maximum contract term: 12 years, ending 30 June 2037

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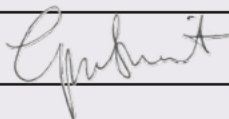
**Name:** Grace Smit

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**Position/title:** Deputy Secretary, Regions

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**Signature:**



**Date:** 9/10/2024

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# Contents

<b>Section 1. Summary</b>	<b>5</b>
Background	5
Purpose of this Procurement Plan	6
Scope of the Procurement	6
Service Requirements	8
Supply positioning and market analysis	12
Importance to Te Puni Kōkiri	12
The supply market	13
Our value as a customer	14
The desired relationship with commissioning agencies	15
<b>Section 2. Requirements and funding</b>	<b>16</b>
The requirements	16
Funding	17
Other Considerations	18
<b>Key Stakeholders</b>	<b>19</b>
Internal stakeholders	19
External stakeholders	20
<b>Section 3. Tendering process</b>	<b>21</b>
Type of tender	21
Proposed timeline	24
<b>Section 4. Evaluation process</b>	<b>26</b>
Summary	26
ROI Evaluation	27
ROI Mandatory Criteria	29
ROI Evaluation Criteria and Weightings	29
Evaluation Scoring Model	30
RFP Evaluation	31
Evaluation Panel	33
Evaluation support and advisors	33
Due diligence	34
Outcome Agreement negotiations	34



Regional Boundary Confirmation Process	35
<b>Section 5. Outcome Agreement</b>	<b>35</b>
Outcome Agreement	35
Performance Management	35
Governance and reporting	36
Transitioning to the new arrangement	36
Managing implementation	37
<b>Section 6. Risk management</b>	<b>38</b>
<b>Section 7. Probity management</b>	<b>41</b>
<b>Appendix 1: Risk framework</b>	<b>42</b>
<b>Appendix 2: Approvals RASCI</b>	<b>43</b>

# Section 1. Summary

## Background

Whānau Ora was agreed to by Cabinet in 2010, arising from an expert taskforce chaired by Tā Mason Durie. The taskforce's report, presented to Hon. Tariana Turia, advised government on how to support whānau and families in need. That report provided the framework for Whānau Ora's development across Aotearoa New Zealand, as the kaupapa has grown from supporting over 8,000 whānau in 2014 to almost 60,000 whānau by 2024.

Shifting the focus from 'services for individuals' to 'wrapping services around whānau' is at the heart of the Whānau Ora approach. Whānau are supported to identify the aspirations they have to improve their lives and build their capacity to achieve their goals.

The approach of considering whānau the 'core unit' for social uplift is centred on a number of policy planks of note, being:

- Support approaches should focus on the whole needs and aspirations of whānau and families (i.e. not just individuals nor singular negative social hazards);
- Support approaches should be centred on whānau gains against an established Whānau Ora Outcomes Framework, which includes seven wellbeing elements; and
- Service delivery should be devolved, with non-Crown commissioning entities engaging a network of localised providers to work with whānau that might otherwise be hard for central agencies to reach and positively connect with.

Whānau Ora has always been non-exclusive and available to all who might benefit from it, including non-Māori. This inclusivity aligns with the foundational principle of a whānau-centred approach to wellbeing, that all are welcome to draw upon and use it if it assists their communities. This perspective is what led to the establishment in 2014 of a commissioning agency focused on Pacific peoples' wellbeing.

Using a devolved service delivery model, Whānau Ora is a strong example of a whānau-centred, locally led and government enabled solution. The key to its effectiveness is the use of commissioning agencies to directly invest in and support local and regional initiatives to deliver Whānau Ora outcomes. Delivering Whānau Ora through a commissioning model allows community-based providers to positively connect with and address the needs of whānau within their communities. This is particularly relevant for those whānau that are not often or easily engaged by central Government agencies.

This devolved, agile service delivery model means Whānau Ora is well-placed to complement the Government's social investment approach.

Whānau Ora commissioning agencies play a crucial role in organising navigator services and in contracting and coordinating with health, social, and other service providers within the community who work directly with whānau. A holistic approach has been central to the success of Whānau Ora over the last decade, enabling whānau to lead their own journeys toward improved wellbeing.

In 2018, the Whānau Ora Review Report | Tipu Mātoro ki te Ao validated the positive outcomes being achieved for whānau and the potential for whānau-centred approaches to be applied more widely across government. Since then, Whānau Ora has continued to demonstrate value, including in crisis situations supporting whānau and vulnerable yet resilient communities through COVID-19 and extreme weather events such as Cyclone Gabrielle.

Since 2014, Te Puni Kōkiri has contracted three Whānau Ora commissioning agencies through separate Outcome Agreements (**Existing Outcome Agreements**). Te Puni Kōkiri administers funding and monitors commissioning agency performance under the Existing Outcome Agreements. The Existing Outcome Agreements have been extended multiple times and will expire on 30 Pipiri | June 2025. The total value of the Existing Outcome Agreements in 2023/24 was \$157M.



## Purpose of this Procurement Plan

This Procurement Plan describes:

- The scope of the services to be procured;
- The objectives and outcomes sought from the procurement and from the contracts awarded through the procurement;
- The intended approach to identify, select and engage preferred respondents, including the procurement and evaluation process, selection criteria and weightings; and
- The approach to managing conflicts and probity.

## Scope of the Procurement

With a solid foundation in place, Te Puni Kōkiri is now looking to further strengthen the role Whānau Ora plays in our communities while maintaining the principles of Whānau Ora.

The current commissioning arrangements have been in place for 10 years without retesting the market. Given the services that are being sought for the next iteration of Whānau Ora commissioning, and in line with the Government Procurement Rules and good practice, it is timely and appropriate that this contract opportunity is openly advertised to the market.

Therefore, Te Puni Kōkiri is undertaking this competitive procurement process to identify, select and engage preferred suppliers for commissioning services for Whānau Ora. commissioning agencies

Whānau Ora commissioning services are being procured for four regions. There will be two regions in Te Ika-a-Māui | North Island and one in Te Waipounamu | South Island. A fourth region will focus on delivery methodologies able to address the needs of Pacific peoples across Aotearoa New Zealand. Across the four regions, commissioning services will ensure that Whānau Ora service providers can continue to support the needs of whānau, now and into the future.

Broadly, the scope of the procurement is for commissioning services to deliver Whānau Ora outcomes for whānau in Aotearoa New Zealand. In this context, it involves each commissioning agency understanding the needs of whānau in a specified region, agreeing interventions in consultation with service providers and whānau to support whānau with those needs, and delivering long-term Whānau Ora outcomes through localised providers.

It involves each commissioning agency contracting service providers to deliver the interventions using the funding provided by Te Puni Kōkiri (see Requirements and Funding section for more information).

Whānau Ora shifts the focus from providing services to individuals to offering services that support the entire whānau. Whānau Ora puts whānau wellbeing at the centre of decision making, empowering them to take control of their journey toward better health, social, and economic outcomes.

To build on this success, and support the Government's on-going investment in Whānau Ora, this procurement seeks three key changes in Whānau Ora commissioning. For details on the requirements refer to Section 2.

### 1) A sharpened focus on service reach

A new funding allocation model built from the ground up, that is on frontline navigator full time equivalent (FTE) costs, will increase the current number of frontline navigators available across the motu to directly support whānau. The new funding model reflects an intention to focus commissioning agencies on core commissioning functions.

An increase in Whānau Ora navigators is required to support whānau with the highest and most complex needs, particularly in areas where central agencies have struggled to reach and positively engage with whānau.

To increase the number of frontline navigators commissioning agencies will:

- Focus on a specific set of core functions and operate efficiently so that they can prioritise funding for navigator services over back-office function; and
- Purchase frontline navigator services through those locally led, community-based organisations who have deep understanding of whānau needs. commissioning agencies will not deliver services directly to whānau.

The geographic boundaries of commissioning agencies have been revised, increasing their number from three to four, to enable more targeted funding to reach whānau facing the most difficult social and economic challenges.

The underpinning rationale for the geographic split between the two regions in Te Ika-a-Māui is the need for total population deprivation statistics, and the portion of Māori within these, across Te Ika-a-Māui to be broadly equally dispersed. Furthermore, as deprivation statistics is a significant driver of funding, the balanced dispersion across the two regions allows Te Puni Kōkiri to distribute funding equitably across Te Ika-a-Māui. The potential for an increase in commissioning agencies will not increase 'back office' costs as:

- Commissioning functions will be more defined in scope and purpose;
- Updated Outcomes Agreements will reflect commissioning agencies being focused on efficient and effective commissioning;
- A key theme of the procurement is more funding being moved to the service provider front-line enabling increased numbers of navigators to assist whānau in achieving their aspirations; and
- Commissioning agencies will be required to undertake increased collaboration and sharing between themselves with greater use of best practise in commissioning planning and management activities, including the greater use of data to assist in planning and evaluation of what works.

## 2) Taking a stronger more consistent approach to social investment

The Government currently invests over \$70 billion per annum in social services, and has acknowledged that despite this, it is not seeing the outcomes they want to see for all New Zealanders. Notwithstanding the high level of government investment in the 15% of highest needs citizens (approximately 50% of the total social sector spend), there remains a cohort who continue to experience considerably lower outcomes than the general population. The social investment approach will be used as a strategy to support social services reaching those whānau that need them, in a timely matter when they are most needed.

At the heart of the social investment approach is the use of data-driven methods to understand what people need, to set measurable goals and to develop continuous measurement and feedback loops. A particular focus is on using the Integrated Data Infrastructure (IDI) to track outcomes which are of interest to the Government (particularly long-term outcomes), and to get a deeper understanding of the contribution of the Whānau Ora approach to those outcomes (noting the significant challenges in establishing attribution for intergenerational change). IDI reporting will also be used to identify the impacts Whānau Ora services are having in areas such as Government targets.

To align with the social investment approach commissioning agencies will:

- Have individual, whānau, and provider and performance data reporting requirements; and
- Be asked to adopt a standardised and consistent approach to measuring whānau progress against the Whānau Ora Outcomes Framework.

Successful commissioning agencies will need to develop and follow an investment plan to guide where navigators are placed based on localised priorities. For example, a commissioning agency might identify harm issues in a particular community and prioritise providers with navigators able to mitigate against drug harm.



Working closely with government colleagues at the Social Investment Agency, Te Puni Kōkiri will facilitate the provision of investment guidance for commissioning agencies to factor into their investment plans. This will include data to enable Whānau Ora commissioning agencies to support delivery against the Government Targets.

Commissioning agencies will be required to establish an investment board – with community representation – to make decisions on the right mix of service providers, based on investment plans and linked to investment advice.

### 3) Efficiency through commissioning best practice

Regularly contesting contracts helps ensure that New Zealand public funds are used more efficiently, enhancing both service delivery and innovation. The existing Outcomes Agreements for Whānau Ora Commissioning have been in place for over ten years. During this period, significant shifts have occurred in the social sector.

This procurement intends to recognise these shifts through updated Outcomes Agreements that reflect commissioning agencies being focused on efficient and effective commissioning, more funding being moved to the service provider front-line enabling increased numbers of navigators to assist whānau in achieving their aspirations, increased collaboration and sharing between commissioning agencies and greater use of data to assist in planning and evaluation of what works.

## Service Requirements

The ROI sets out information on the current state and high-level requirements and objectives for the next iteration of Whānau Ora commissioning.

This includes information on:

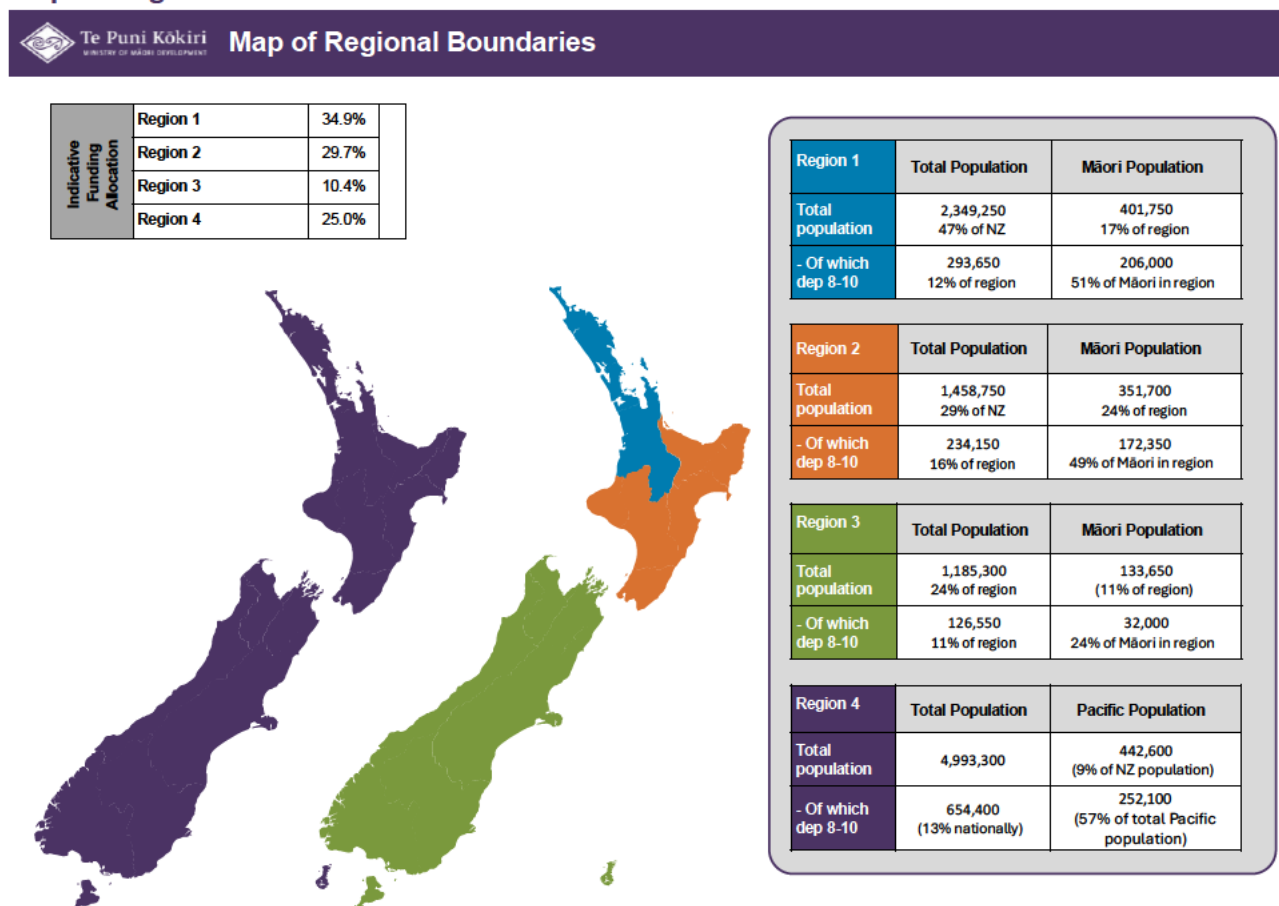
Requirement	Description
<b>Increase in commissioning agencies</b>	<p>Te Puni Kōkiri intends to procure Whānau Ora commissioning services in four regions:</p> <ul style="list-style-type: none"> <li>Two regions for Te Ika-a-Māui   North Island;</li> <li>One region for Te Wai Pounamu   South Island; and</li> <li>One national service focussed on delivery methodologies that can deliver for Pacific peoples across Aotearoa New Zealand.</li> </ul> <p>The increase in commissioning agencies (from the current three to four) will not increase 'back office' costs as commissioning functions will be more defined in scope and purpose.</p>
<b>Alignment to the Government's Social Investment Approach</b>	<p>There will be a requirement for commissioning agencies to regularly share individualised data that allows Stats NZ to integrate with the IDI. We anticipate this data transfer will be required three to four times per year.</p>

Requirement	Description
	<p>Commissioning agencies will be asked to commit to standardised and consistent methods for measuring progress against the Whānau Ora outcome measures.</p> <p>IDI reporting will be used to identify the impacts Whānau Ora services are having in areas such as Government targets.</p>
<b>More focussed reporting and measurement of both commissioning agencies and service providers.</b>	<p>Commissioning agencies will share with Te Puni Kōkiri aggregated and de-identified individual provider level data to understand the capacity, compliance and capability of the service provider network.</p> <p>Commissioning agencies will also share commissioning agency level data to understand distribution of funding to its providers, and the performance of the network.</p> <p>The ROI describes the types of reporting that will be required from commissioning agencies from 1 July 2025.</p>
<b>Differentiation of commissioning agencies from service providers</b>	Commissioning agencies will focus on core commissioning functions and services, leaving the provision of navigator and other whānau services directly to whānau, for service providers to deliver.
<b>More funding to the front line with more navigators and reach into communities</b>	Available funding will be optimised through an updated funding allocation model which is built off an increase in frontline FTE navigators, and a rebalance of funding of operating costs and funding for other whānau initiatives.
<b>Transparency and collective learning</b>	Information will flow easily and accessibly around the Whānau Ora system. Collaboration between and across commissioning agencies is the norm, including the sharing of good practice, continuous improvement and innovative approaches to supporting whānau.
<b>Governance</b>	Commissioning agencies will need fit-for-purpose governance structures and processes to ensure that services align with the needs and aspirational of whānau in their region.

## 1) Capacity and Coverage in Regions

The boundaries of the four regions across the motu are shown in the Map 1 below.

**Map 1: Regional Boundaries**



Disclaimer: Population figures are from the 2023 census. Māori population deprivation 8+ is generated from the vulnerability index. The Pacific population deprivation 8+ is from the Social Economic Deprivation Index. Individuals can identify with more than one ethnicity. As a result, totalling deprivation statistics across all four areas by ethnicity will be more than the total population deprivation statistics. Both use Census 2018 data. NB: These are not official statistics. All numbers have been rounded to the nearest 50.

These boundary demarcations are defined using Regional Council confirmed boundaries. The geolocation of this can be found here on the Stats NZ data finder: <https://datafinder.stats.govt.nz/layer/106666-regional-council-2022-generalised>.

### Boundary Demarcations

- Region 1: Northland, Auckland and Waikato;
- Region 2: Bay of Plenty, Gisborne, Hawke's Bay, Taranaki, Manawatu-Whanganui and Wellington;
- Region 3: Tasman, Nelson, Marlborough, Canterbury, West Coast, Otago and Southland; and
- Region 4: National service focussed on delivery methodologies that can deliver for Pacific peoples across Aotearoa New Zealand.

Respondents need to confirm which region, or regions, they are applying to provide commissioning services, noting that:

- They must be able to provide commissioning services across a whole region, with a focus on areas of highest deprivation; and
- They may apply to provide services for one, some or all of the four regions.

### **Out of scope**

The following services are out of scope for this procurement process, as they are subject to separate contracts.

- Localised Commissioning Entities;
- Paiheretia te Muka Tangata;
- Ngā Tini Whetu; and
- Any other commissioning initiatives funded outside of the Whānau Ora appropriation i.e. funded by other agencies.

However, this procurement does not preclude these types of services in the future being channelled through the Outcome Agreements agreed with the new commissioning agencies (if appropriate and at the appropriate time).

Should the agreements for any out-of-scope contracted services come up for renewal or extension at any time after 1 July 2025 and Te Puni Kōkiri proposes to extend the term of the relevant agreement, Te Puni Kōkiri may then seek terms consistent with the social investment data capture and reporting framework under the new Outcome Agreements.

# Supply positioning and market analysis

## Importance to Te Puni Kōkiri

The procurement opportunity has been analysed to establish its supply positioning. Understanding how important the services are to Te Puni Kōkiri helps inform the approach it should take to the supplier community and the amount of time and resources used in the procurement.

Supply positioning matrix



This procurement is **high value strategic** because the Whānau Ora commissioning model has a significant impact on the wellbeing of many whānau. Focus should be on working with the supplier community to:

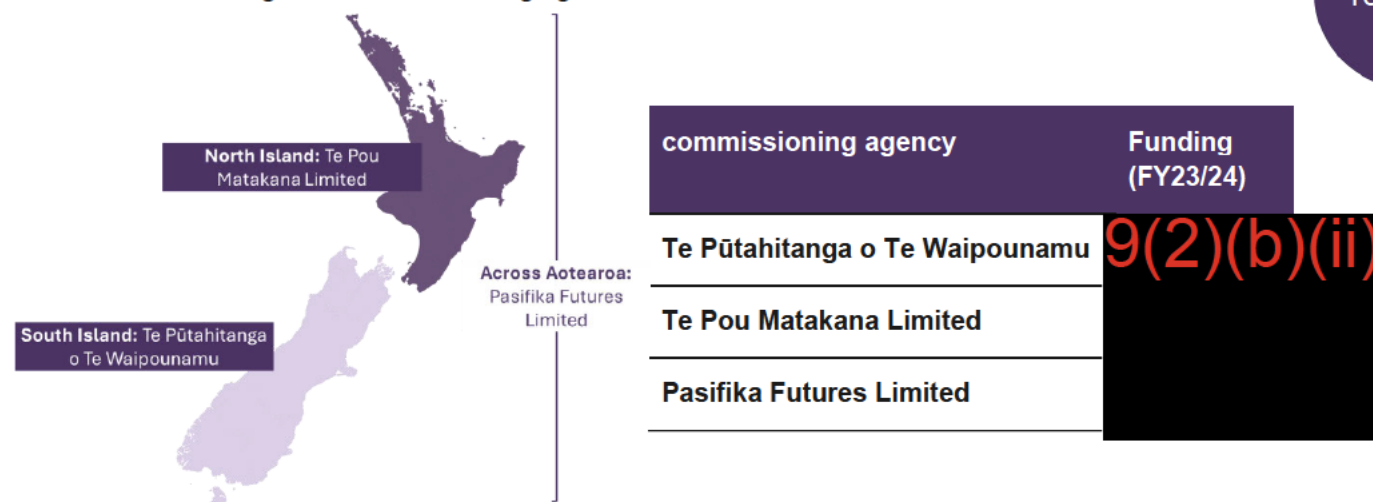
- Clearly define the services and, where possible work towards adoption of recognised standards and processes for services;
- Establish clear roles and responsibilities;
- Enable the suppliers to successfully deliver the services;
- Work to appropriate governance and reporting structures (including social investment impact measurement and reporting);
- Identify mutual benefits and ways to streamline commissioning; and
- Build capability and capacity across the sector, within service providers and in the community.

New long-term Outcome Agreements will be established to reflect the required services, to provide certainty of funding to the supplier community and service continuity to stakeholders. In due course they will also foster the establishment and development of close, collaborative relationships with and between the selected commissioning agencies.



## The supply market

The three incumbent general commissioning agencies are listed below.



Te Puni Kōkiri is the only agency that devolves commissioning for Whānau Ora services under the Whānau Ora appropriation (albeit a small number of Government agencies have done and continue to do so in partnership with Te Puni Kōkiri – such as Accident Compensation Corporation as part of Ngā Tini Whetū).

Government wishes to develop and align the existing supplier community to complement the social investment approach to enable future expansion of the Whānau Ora commissioning model. The level of acceptance of this approach by potential respondents for Whānau Ora is currently unknown. The extent of any challenge to this approach will be informed by the responses to the ROI.

Planned engagement activities with the supplier community are set out below, designed to accommodate the procurement timelines and to clearly communicate the proposed changes to the Whānau Ora commissioning model so that potential respondents can make informed decisions in relation to the ROI.

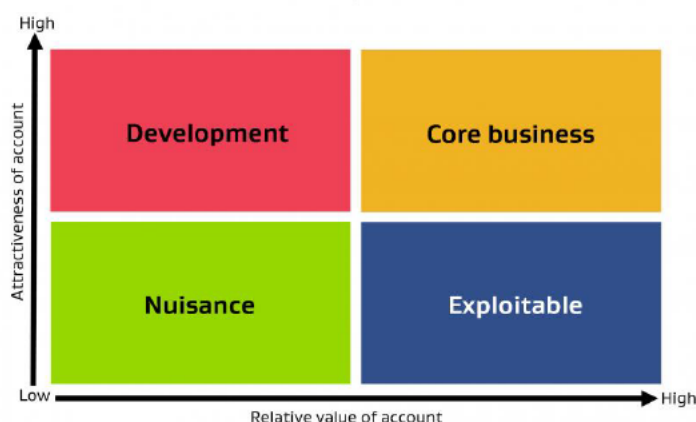
Given the Government's focus on social investment, building the supplier community is beneficial for Government agencies beyond Te Puni Kōkiri and this will be highlighted as a feature in the procurement process. The Government may look to direct more social investment funding through the Whānau Ora commissioning model if this procurement is successful.

Competition for this contract opportunity will primarily be based on a potential respondent's ability to commission in a specific (but sizable) region. There do appear to be potential respondents in addition to the incumbent commissioning agencies, with relevant experience, local knowledge and service provider relationships that could tender for this opportunity.

It is anticipated there will be a number of interested parties, including both incumbent suppliers and new entrants. However it is possible there may be a supply challenge, if there may potentially be a relatively low number of existing entities that have adequate experience of commissioning at scale, or that have the ability to scale up services within the available timeframes. Market capability and the extent of any supply challenge will be informed by the nature and quality of responses to the ROI.

## Our value as a customer

### Supplier preferencing matrix



	Description	Action
Nuisance	Low value Little profit	Withdraw
Development	Low value But still attractive	Get further business
Exploitable	High value But not attractive	Maximise profits
Core business	High value Highly attractive Supplier's core business	Retain and expand

Incumbent commissioning agencies are expected to initially view Whānau Ora as **core business**, being high value, highly attractive and likely to be aligned to their core service offerings. However, the intent to shift more funding to the front line and to separate the provision of services from the commissioning of them, means the perceived value of the new arrangements may change. The assessment is that, on balance, the incumbent commissioning agencies will look to retain and expand their arrangements.

Potential non-incumbent respondents interested in becoming commissioning agencies will likely view the opportunity as a blend of **development** and **core business**. Winning is highly desirable as it enables interested parties to establish themselves as Whānau Ora commissioning agencies. If successfully appointed, Whānau Ora may become core business, and the mana and value of being awarded a contract for a region is expected to be high, potentially when the potential for future funding from outside of Whānau Ora appropriation is factored. In fact some may see this as the real opportunity. Note the procurement highlights the separation of commissioning services from provision of whānau initiatives by Service providers, alongside an expectation of increased funding moving to the 'front-line', primarily in the form of increased navigators. This change reduces some of the flexibility commissioning agencies have had in the past, including the ability for them to also act as Service providers.

The procurement is therefore assessed as a significant **core business** opportunity for the community of potential respondents.

The risk that the Whānau Ora commissioning is deemed as low priority by potential respondents is considered low; however, some potential respondents may consider the incumbent commissioning agencies to have a significant advantage so may be reluctant to actively pursue the opportunity.

Timelines are aggressive and some of the proposed changes to the Whānau Ora commissioning model and Outcomes Agreements are significant. 9(2)(g)(i)

[REDACTED] Proving capability, capacity and ability to promptly mobilise may be challenging for some of the new potential non-incumbent respondents. The structure of the procurement will take this into account so that all potential respondents feel they are being treated fairly during the procurement.

## The desired relationship with commissioning agencies

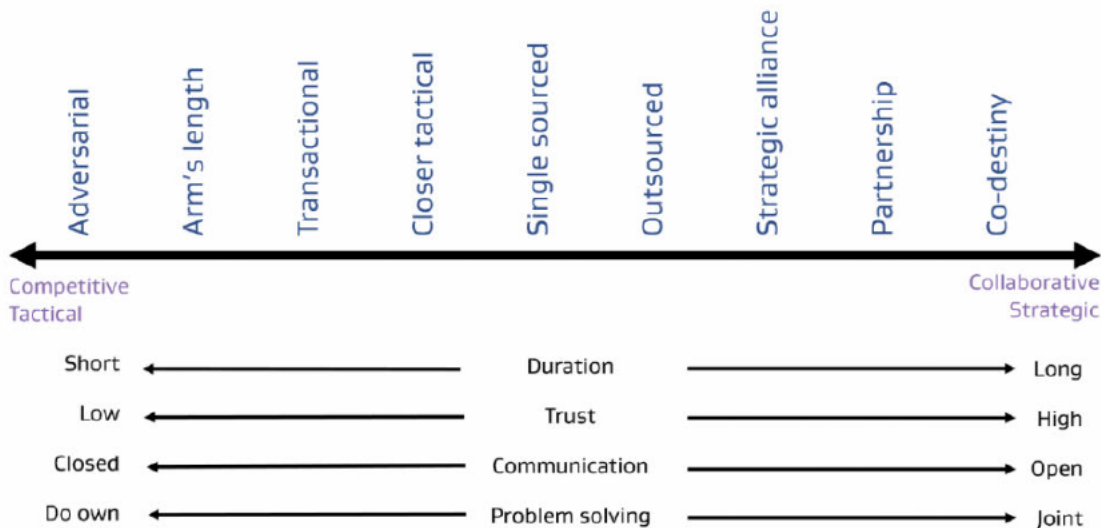
An assessment of the current relationship between Te Puni Kōkiri and the incumbent commissioning agencies suggests that Te Puni Kōkiri has a high level of dependency on the incumbent commissioning agencies to deliver outcomes. When assessed against the relationship spectrum below the relationship is at the lower end, around the “Transactional” to “Arm’s Length” dimensions.

In recognition of the strategic nature of the services and the interdependencies that each of the involved parties must have met to each be successful, Te Puni Kōkiri seeks to shift the relationship with commissioning agencies to further toward “Partnership”, more towards the collaborative strategic end of the relationship spectrum framework below).

To support this, Te Puni Kōkiri is seeking a long-term arrangement built on collaborative partnership principles, where each party will have key responsibilities and objectives.

It is intended that the commissioning agencies selected through this procurement will work cooperatively and collaboratively with Te Puni Kōkiri and with each other. Te Puni Kōkiri will seek to select a highly capable group of commissioning agencies that are supportive of this direction to execute the delivery of Whānau Ora services.

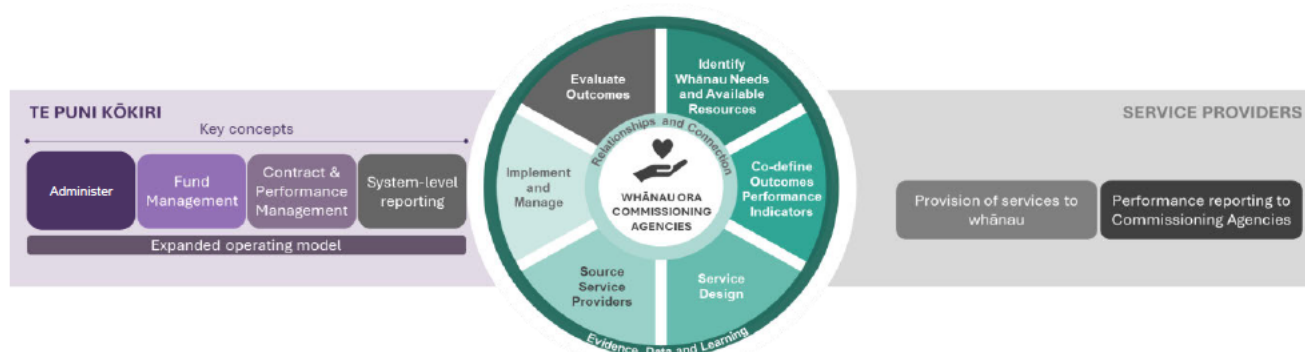
## The relationship spectrum



## Section 2. Requirements and funding

### The requirements

Te Puni Kōkiri is procuring commissioning services to deliver Whānau Ora outcomes for New Zealanders with distinct needs. The focus remains on ensuring that investment and delivery approaches address these distinct needs. An outline of the next iteration of the Whānau Ora commissioning services model is outlined in the figure below.



The ROI describes the scope of services, and the outcomes and objectives sought through this procurement. It describes the requirements at a high level with sufficient detail to enable potential respondents to:

- Decide whether they wish to respond;
- Prepare an informed ROI submission; and
- Inform the development of any collaborative partnerships needed.

The ROI focuses on eliciting information from Respondents that will provide Te Puni Kōkiri confidence in their ability to provide the required commissioning services. This includes:

- Commitment to the outcomes and objectives sought through this next iteration of Whānau Ora, including:
  - Alignment of values and kaupapa with the Whānau Ora Outcomes Framework;
  - Complementing the social investment approach for Whānau Ora commissioning;
  - Achieving the next iteration of Whānau Ora commissioning including the proposed approach to measurement, IDI data input, and reporting;
  - Partnering with Te Puni Kōkiri, and collaborating with other selected commissioning agencies including continuous improvement and innovation;
  - The separation of commissioning services functions from the provision of services to whānau;
  - Building increased navigator numbers and capabilities across the region to better support whānau; and
  - Commitment to a standardised and consistent method for measuring progress of whānau against the Whānau Ora outcomes framework.
- Capacity and capacity;
- Regional coverage and connections; and
- Commercial terms.



More detailed information that communicates the requirements of Te Puni Kōkiri will be released with the RFP documentation to the Respondents shortlisted from the ROI.

The detailed requirements are under development; approval of detailed requirements will occur as part of a request to release the RFP documentation.

## Funding

The 2023/24 government funding for the in-scope Whānau Ora services is \$157m. Ultimately, Whānau Ora funding depends on annual Budget appropriations. Any increases in funding in the future would depend on Government agreeing to invest more in social investment via the Whānau Ora commissioning model. The interplay between Whānau Ora and the social investment approach is expected to be relevant to future Budget bids.

Opportunities to improve value for money are currently being explored, including through changes to the operating model by shifting more resources to the front line and increasing numbers of navigators. The ROI submissions will help inform cost models and drivers for delivery of commissioning services.

As previously stated, the fundamental function of Whānau Ora commissioning and the Whānau Ora Outcomes Framework will not be changed.

Final contract award to successful Respondents will be subject to sufficient approved and available budget.

A new funding allocation model will be developed from the ground up by Te Puni Kōkiri that ensures an equitable distribution of funding per region and outlines the framework under which commissioning agencies will be funded to cover their agreed costs, with the balance of funding flowing through to providers of front line services, predominantly navigators. It is expected that each commissioning agency will agree to deliver an agreed number of navigators, as set out in the relevant Outcome Agreement (or its corresponding investment plans), consistent with the expectation that increased funding will flow through to the front line services.

### Financial assumptions

The following are the financial assumptions for the project:

Assumption	Comment
\$157m is the maximum amount available for the services (assuming no change in funding from the 2023/24 year)	Any changes to this funding would be approved by Government as part of the appropriations process in the FY25/26 and/or later Budgets
Separate funding may be made available for transition and mobilisation costs for successful Respondents	Transition costs will be confirmed as part of the procurement. Both new and incumbent suppliers are expected to have transition costs.
Baseline costs may need to be inflation adjusted annually in line with an appropriate index.	Indexing to be confirmed, but likely to be Stats NZ's Labour Cost Index or the Consumer Price Index, or a combination of both. An annual productivity / efficiency improvement may be agreed to mitigate some inflation pressure



An increased focus on the delivery of frontline services will require reprioritization (for incumbents) away from back-room costs or a different mix of non-navigator whānau investment initiatives compared to what is currently provided

An appropriate balance will need to be struck between the funding of navigators, other whānau investments and operating costs

## Other Considerations

### Needs based service provision

Cabinet Office Circular CO (24) 5 dated 13 September 2024 sets out the Government's expectation that the targeting, commissioning and design of public services should be based on the needs of all New Zealanders.

Targeted investment is intended to be channeled to areas assessed as having the greatest disparity in outcomes. Māori and Pacific people are represented proportionally higher on this scale than other New Zealanders.

By design, the Whānau Ora model incorporates Māori principles, and one of the regions will focus on delivery methodologies able to address Pacific needs. However, the procurement opportunity is open to all organisations that can provide fit for purpose commissioning agency services, and the services being procured by the Whānau Ora commissioning agencies will be available to all New Zealanders.

The use of the national deprivation statistics as the basis for funding allocation and questions focused on ensuring that Respondents can evidence their ability to reach across the span of vulnerable populations in their communities will ensure a 'needs' focus for this procurement.

### Broader Outcomes

Te Puni Kōkiri is committed to achieving social, economic, cultural, environmental, and public wellbeing outcomes as it provides services, including through its suppliers and the relationships it has with its suppliers. Whānau Ora Commissioning is largely designed to address these areas of focus.

Te Puni Kōkiri expects respondents to be similarly committed and to be willing and able to assist Te Puni Kōkiri as it seeks to achieving these outcomes.

### Increasing Opportunities for New Zealand Businesses

The Government Procurement Charter requires agencies to consider how opportunities can be created for New Zealand businesses. Whilst this procurement is a social procurement initiative, it supports the Charter by:

- Separating the funding for commissioning activities from the provision of commissioning services;
- Intending to create four regional commissioning agencies instead of three;
- Structuring the funding agreements with commissioning agencies so that 'front line' funding increases; and
- Setting the expectation for an increased number of navigators from localized providers in places that are hard to reach, i.e. typically small businesses

# Key Stakeholders

## Internal stakeholders

The primary internal stakeholders are outlined below.

### Internal stakeholders' roles and level of engagement

Role	Stakeholders	Communications Approach
<b>Responsible</b>  The person or people responsible for undertaking the procurement.	<ul style="list-style-type: none"> <li>Deputy Secretary Regions Grace Smit (Project Sponsor)</li> <li>Whānau Ora Steering Committee</li> </ul>	Regular briefings with Project SRO  Weekly Status report from Project Director
<b>Accountable</b>  The person or people that have authority to make decisions and are accountable for the outcomes.	<ul style="list-style-type: none"> <li>Te Tumu Whakarae mō Te Puni Kōkiri   Secretary for Māori Development Dave Samuels</li> </ul>	Briefings from the Project Sponsor.
<b>Supportive</b>  The person or people that do the day to day work.	<ul style="list-style-type: none"> <li>Whānau Ora Delivery</li> <li>Regional office staff</li> <li>Data, Insights and Monitoring</li> </ul>	Representatives from the Operations team are participants in working sessions.  Key messages shared via Regional Directors.  Weekly Regional SME roopu to provide advice on service design and implementation planning.
<b>Consulted</b>  The person or people who needs to be consulted to add value or get buy-in.	<ul style="list-style-type: none"> <li>Regional Support &amp; Alignment</li> <li>Policy Puni</li> <li>System Performance &amp; Monitoring</li> </ul>	Weekly update at Deputy Secretary and Directors forum.  Monthly updates at Strategy and Performance Committee forum.
<b>Informed</b>  The person, people or group, groups that need to be kept informed of key actions and results but are not involved in decision-making or delivery.	<ul style="list-style-type: none"> <li>Te Puni Kōkiri kaimahi</li> <li>Communication stream</li> <li>Finance, Property &amp; Procurement</li> </ul>	Stories on Te Pū Matua letting all kaimahi know who we are and what we are doing.  Regular sharing of key communications and engagement collateral to ensure messaging aligned.



## External stakeholders

The primary external stakeholders are outlined below.

### External stakeholders' roles and level of engagement

Role	Stakeholders	Communications Approach
<b>Responsible</b>  The person or people responsible for undertaking the procurement.	<i>Not applicable: procurement is being undertaken by Te Puni Kōkiri</i>	
<b>Accountable</b>  The person or people that have authority to make decisions and are accountable for the outcomes.	<i>Not applicable: procurement is being undertaken by Te Puni Kōkiri</i>	
<b>Supportive</b>  The person or people that do the real work.	<i>Not applicable: procurement is being undertaken by Te Puni Kōkiri</i>	
<b>Consulted</b>  The person or people who needs to be consulted to add value or get buy-in.	<ul style="list-style-type: none"> <li>• Social Investment Agency</li> <li>• Statistics New Zealand</li> </ul>	Regular updates and communications in respect of procurement planning and implementation
<b>Informed</b>  The person, people or group, groups that need to be kept informed of key actions and results but are not involved in decision-making or delivery.	<ul style="list-style-type: none"> <li>• Minister for Whanau Ora</li> <li>• Social Investment Ministers</li> <li>• Ministry of Business, Innovation and Employment</li> <li>• Incumbent commissioning agencies</li> <li>• Iwi and community leaders</li> </ul>	Ministerial meetings and Aide Memoires  Updates from Hon. Potaka to his Ministerial colleagues on the Social Investment Ministerial Advisory Group  Letters of intent and ongoing updates shared via contract managers, aligned to what the rest of the supplier community also receives.  Direct engagement with incumbent commissioning agencies to ensure smooth transition to future model



## Section 3. Tendering process

### Type of tender

The intended approach to market is a two stage openly advertised competitive tender.

An Advance Notice was issued on GETS on 13 September 2014 outlining the scope of the procurement and providing an indicative timeline.

An openly advertised approach is consistent with Te Puni Kōkiri procurement policies, the *Government Procurement Rules* and the Government's procurement principles, particularly given the value of the contract opportunity, and noting that existing Outcome Agreements have not been contested for ten years and have been renewed multiple times.

A two-stage process is considered most appropriate in this instance for the following reasons:

- Provides additional time for Te Puni Kōkiri to continue work on solution design and confirmation of detailed requirements.
- The process can be designed to optimise the overall effort from ROI Respondents that are not shortlisted for the RFP and the time required from evaluators. The amount of information to evaluate will be staggered between the ROI and RFP, with only Respondents shortlisted during the ROI stage being eligible to participate in the RFP stage and needing to provide a fully detailed proposal.
- The two-stage process allows a degree of input and interaction with Respondents that is more consistent with the Te Puni Kōkiri values of *Te Wero* – pursue excellence, *He Toa Takitini* – work collectively, *Manaakitanga* – value people and relationships and *Ture Tangata* – creative and innovative.
- Is expected to have a positive effect on activities such as service design, implementation planning and contract negotiations, even though the two-stage approach does not result in preferred Respondents until February 2025 (later than was originally proposed under a one stage procurement process).

#### Stage 1: Registration of Interest (ROI).

The primary purpose of the ROI is to:

- Provide potential Respondents with sufficient background information to:
  - Make an informed decision on whether to respond to the opportunity;
  - Inform the development of any collaborative partnerships needed; and
  - Prepare a Registration, and
- Describe the procurement process for the ROI, including the evaluation criteria and weightings, including any mandatory criteria.
- Describe, at a high level, the intended RFP process and timelines, as well as indicative evaluation criteria and weightings for the RFP. The ROI is clear that the RFP process is subject to change as informed by ROI findings (noting that any information provided by respondents during the ROI may be used to inform the RFP documents and process).



- Confirm the capability and capacity in the supplier community to provide Whānau Ora commissioning services.
- Provide the means for to shortlist a small number of suitably capable and experienced Respondents to take into the RFP stage of the procurement.

Through this ROI, Respondents are asked to:

- Confirm understanding of and commitment to key objectives, principles and services;
- Confirm willingness and ability to meet the mandatory requirement related to providing data to the IDI, as set out at Section 4 below; and
- Provide information on their capability and capacity, coverage and connections to meet the requirements set out in this ROI.

The ROI includes background and contextual information on Te Puni Kōkiri and the Whānau Ora commissioning model, the procurement and its objectives, and high-level information on the commissioning being sought by Te Puni Kōkiri.

Respondents will be asked to confirm which geographical region or regions they are applying for and to provide information on proposed consortiums or collectives.

The ROI approach helps ensure that Te Puni Kōkiri understands where collectives and partnerships may be able to form better support for whānau based on community presence, relationships and reach, particularly in hard-to-reach communities.

The information requested from Respondents in their ROI submission focusses on confirming their commitment to the functions being sought from commissioning agencies, their capability, capacity and track record as well as their accessibility to whānau and coverage across the region.

ROI submissions will be evaluated by an evaluation panel against specified weighted and non-weighted criteria to establish a set of shortlisted Respondents for each of the four regions to enter into the next stage of the procurement process, being the RFP stage.

More detail is provided in the Evaluation Process section below.

The ROI will be clear that information provided by Respondents during the ROI may be used to inform the RFP documents and process. Te Puni Kōkiri will during the ROI stage retain rights to change the design of the RFP stage of the procurement based on the nature and number of responses to the ROI.

Set out below are some example scenarios – for the avoidance of doubt, this table is included for illustrative purposes only, and Te Puni Kōkiri does not have to choose any of the options listed.

Scenario	Te Puni Kōkiri Option
<b>No Respondents in a region</b>	<ul style="list-style-type: none"> <li>• Consider whether Respondents from other regions can and are willing to provide commissioning services.</li> <li>• Direct approach to potential suppliers in the market that did not respond to ROI.</li> <li>• Undertake a second separate procurement initiative once this procurement is complete.</li> </ul>



	<ul style="list-style-type: none"> <li>Undertake a second separate procurement initiative run in parallel.</li> </ul>
<b>Only one Respondent in a region</b>	<ul style="list-style-type: none"> <li>Proceed with one Respondent to the RFP stage.</li> <li>If the ROI scoring is acceptable, move directly to the negotiations and discovery stage with the sole Respondent as a preferred Respondent.</li> </ul>
<b>Multiple respondents in a region</b>	<ul style="list-style-type: none"> <li>Consider how many Respondents, if any, should progress through to shortlisting for the RFP stage.</li> </ul>
<b>Multiple respondents can only do part of a region</b>	<ul style="list-style-type: none"> <li>Consider whether the Respondents provide sufficient coverage and quality across the regions between them, and if so, if they could be invited to submit a joint bid for the region.</li> <li>Consider whether Respondents to other regions can, and are willing to, provide services for the region.</li> </ul>

## Stage 2: Request for Proposals (RFP)

The RFP will include more detailed requirements that communicate the expectations of Te Puni Kōkiri. It is released to the Respondents shortlisted from the ROI.

The information requested from Respondents in their Proposal focuses on how the Respondent proposes to meet Te Puni Kōkiri requirements for Whānau Ora Commissioning Services, including across the following key areas:

- Commissioning requirements and performance standards;
- Capacity and coverage requirements;
- Data and reporting requirements;
- Implementation and transition;
- Costs / fees; and
- Commercial terms.

Detailed requirements will be provided to shortlisted respondents as part of the release of the RFP documentation.

RFP submissions will be evaluated against a mix of weighted and non-weighted criteria to confirm the preferred Respondents to enter into contract negotiations with Te Puni Kōkiri.

It is noted that whilst the ROI and RFP stages both involve weighted and non-weighted criteria, the criteria and weightings will, by design, vary between the two stages, as there are different areas of focus at each of the stages. Any information provided by respondents during the ROI stage may be used to help determine the final shape of the RFP, particularly in relation to the evaluation criteria and weightings (as discussed in further detail in the Tendering process section).

## Market engagement (Grey = completed)

Activity	Description
<i>Advance Notice issued on GETS (Completed 13 Sept)</i>	<ul style="list-style-type: none"> <li>• A notice on GETS outlining the scope of the procurement opportunity and indicative timeline.</li> <li>• No response information required. Registration on GETS results in automatic notification of later notices.</li> <li>• Email address provided for other queries.</li> </ul>
<i>Key Messages shared via Regional Directors (Completed 13 Sept)</i>	<ul style="list-style-type: none"> <li>• Key messages about the opportunity, intended to be cascaded through regional and nationwide Te Puni Kōkiri networks for interested parties These messages will reinforce those publicly available.</li> </ul>
<i>Advice to incumbent suppliers (Completed 13 Sept)</i>	<ul style="list-style-type: none"> <li>• Phone calls and letters to incumbent commissioning agencies advising procurement is planned and advising of Advance Notice.</li> </ul>
<i>ROI advertised on GETS (Completed 4 October)</i>	<ul style="list-style-type: none"> <li>• Public advertisement of the ROI opportunity</li> <li>• Dedicated RFP email Inbox for updates and for queries and responses from potentially interested parties.</li> </ul>
<i>Internal support channels</i>	<ul style="list-style-type: none"> <li>• RFP email inbox contact also available for Te Puni Kōkiri staff to make contact with the project</li> </ul>

## Proposed timeline

The proposed timeline is summarised below. Section 5 of this Plan provides more detail on the key activities.

Action	Indicative date
<b>Pre-procurement</b>	
<i>Advance notice published on GETS</i>	13 September 2024 [completed]
<b>Procurement plan and ROI approved</b>	4 October 2024
<b>ROI</b>	
<b>ROI advertised on GETS</b>	4 October 2024 [completed]
<b>Last date for Respondent questions</b>	17 October 2024
<b>ROI closing date</b>	24 October 2024
<b>ROI evaluation to approved shortlist</b>	24 October – 12 November 2024

Action	Indicative date
<b>RFP</b>	
<b>RFP approved and issued to shortlisted Respondents</b>	22 November 2024
<b>1:1 briefing/s with Respondents</b>	23 November – 12 December 2024
<b>Last date for Respondent questions</b>	12 December 2024
<b>RFP closing date</b>	19 December 2024
<b>RFP Evaluation (incl presentations / due diligence)</b>	19 December 2024 to 13 February 2025
<b>RFP Report approved to select preferred Respondents</b>	13 February 2025
<b>Respondents advised of outcome</b>	Late February 2025
<b>Negotiations and contract execution</b>	
<b>Outcome Agreement negotiations</b>	February to April 2025
<b>Recommendation to appoint successful respondents and execute Outcome Agreements</b>	28 April 2025
<b>Debriefs for Respondents (successful and unsuccessful)</b>	May 2025
<b>Transition and implementation</b>	April to June 2025
<b>Outcome Agreement award notice published on GETS</b>	May 2025
<b>Outcome Agreement start date</b>	1 July 2025

## Section 4. Evaluation process

### Summary

The purpose of the evaluation is to identify commissioning agencies that can provide Whānau Ora commissioning services for Te Puni Kōkiri across each of the four regions across Aotearoa New Zealand.

Evaluation will occur in three stages across the procurement:

- ROI evaluation to shortlist Respondents for the RFP stage;
- RFP evaluation to select preferred Respondents; and
- Negotiation of Outcome Agreements with the preferred Respondents.

Information pertaining to the evaluation method, criteria and process are included in the sections below. Detailed evaluation plans and tools will be produced separately to support both the ROI and RFP evaluations.

The evaluation model will use a mix of weighted and non-weighted criteria at both the ROI and RFP stages.

The evaluators complete their initial assessment and score the responses at both the ROI and RFP stage, assisted by non-scoring specialist advisors.

The specialist advisors may be asked to respond to questions from the evaluators, or to report to the Evaluation Panel to present their specialist assessment of the material provided by Respondents to assist the evaluators in scoring submissions. The areas of focus for the specialist advisors may include, but are not limited to:

- Due diligence (ROI and RFP stages);
- Analysis of response to proposed key contract principles (ROI stage);
- Analysis of response to contract terms (RFP stage);
- Analysis of data and reporting submissions (ROI and RFP stages);
- Governance and relationship management models (ROI and RFP stages);
- Progression measurement proposals (RFP stage);
- Pricing analysis (RFP stage); and
- Contract principles (ROI stage) and Outcome Agreements (RFP stage).

A two-envelope approach will be used during evaluation to keep price and non-price information separated noting that, with appropriate controls in place as detailed in the relevant evaluation plan, analysis of price and non-price information may occur in parallel.

While price and contract terms are not weighted criterion, material issues with either may alone be grounds for recommending rejection of a proposal.

As Te Puni Kōkiri wishes to obtain the best value-for-money over the whole-of-life of the contract, achieving the right combination of fit for purpose, quality, delivery, price and commercial terms is critical.

Preferred Respondents that are successful through negotiations will be appointed as approved commissioning agencies.

## ROI Evaluation

The ROI evaluation process will be detailed further in the ROI Evaluation Plan.

No pricing information is being requested or evaluated as part of the ROI process.

### Receipt and compliance

Following the ROI Closing Date, Registrations will be opened by the Procurement Team, and checked for compliance with the ROI conditions, including whether the Registration:

- Has arrived in advance of the ROI Closing Date and time;
- Meets compliance requirements i.e., format, signatures and attachments requested are provided;
- Confirms the response meets or accepts the mandatory criterion set out in section 4 below;
- Is complete, sufficient in content/quality and/or provides a response to each component of the ROI Response Form. If a Registration is manifestly short of the required standard, a recommendation may be made that it should not proceed to the full evaluation process, and
- Is relevant to the scope and/or Requirements outlined in this ROI. If a Registration is manifestly not relevant, a recommendation may be made that it should not proceed to the full evaluation process.

In addition, in accordance with the Probity Plan, any conflicts of interest declared or identified by Respondents will be considered by the Project Lead and the Procurement Lead (with advice from the Probity Advisor where required) and compared to internal declarations already made.

Any issues relating to compliance, probity or actual, potential, or perceived conflicts of interest, will be discussed with the Project Sponsor, may decide to consider or not consider any non-compliant or conflicted response.

Any material issues will be raised with the relevant Respondent and may provide grounds on which Te Puni Kōkiri considers the response non-compliant.

Te Puni Kōkiri at its sole discretion may decide to progress or not progress any non-compliant response to the next stage of the process.

### ROI evaluation

Submissions that pass the compliance check and meet the mandatory criterion will be evaluated by an Evaluation Panel using the weighted and non-weighted criteria set out below.

The Evaluation Panel will receive:

- Confirmation of the responses that have passed the compliance checks;
- The ROI documents issued;
- A copy of each ROI response; and
- An Evaluation Workbook and instructions.

All files will be provided in digital form only. Paper copies will not be provided.

Questions will be in the same order as the ROI. There will be fields to record scores and comments to support and provide scoring justification and to identify any areas that need clarification or more information if needed.



Evaluators are expected to evaluate and score individually initially before submitting scores ahead of a group moderation. This reduces risks associated with 'group think' and to help identify any conscious or sub-conscious bias.

Individual scores submitted will be collated into an evaluation matrix that applies the evaluation weightings to achieve an aggregate weighted score.

### **Moderation**

The Evaluation Panel will convene to discuss and moderate scores and to present/discuss findings from the specialist advisors. They will discuss their individual scores recorded for each question/response section for each proposal and agree a consensus score.

A specialist advisor will review the initial due diligence information and report back to the Evaluation Panel on findings and any issues. If material issues are identified in the due diligence information, this may be sufficiently grounds to reject a submission outright.

Evaluators will have the opportunity to (but will not be required to) revise their individual scores. All changes of individual scores will be documented.

As a result of moderation, Respondents may be asked questions they need to answer in writing before moderation can be concluded.

As a result of moderation, Proposals will be ranked according to their weighted scores, and the Evaluators will make recommendations to the Steering Group on whether to shortlist or reject proposals to enter the next stage of the process.

For clarity, consensus on scores at an individual level is not required, but efforts will be made to reach consensus on shortlisting or rejection recommendations.

Recommendations to shortlist or reject proposals will be supported by adequate justification to enable an honest, free and frank debrief with the relevant Respondent at the end of the selection process, and to withstand scrutiny in the event of challenge.

The Evaluation Report will summarise the following:

- The evaluation and moderation process;
- Recommendations regarding short-listing or rejection of proposals;
- Benefits and weaknesses of the service (non-price attribute) offerings;
- Consideration of risks and risk mitigation;
- Any supplier conflicts of interest;
- Consideration of impacts on the project e.g., resource impacts; and
- The intended approach for Request for Proposals.

The ROI Evaluation Report will be approved by the Whānau Ora Steering Committee and subsequently provided for information to the Secretary for Māori Development.

The decision about which submissions to shortlist for the RFP is at the Whānau Ora Steering Committee's discretion. Te Puni Kōkiri reserves the right to not shortlist the highest scoring Respondent(s) if critical deficiencies or risks are assessed by the Whānau Ora Steering Committee as unacceptable and/or unresolvable.

Once contracts have been awarded at the end of the procurement, all Respondents will be advised and offered the opportunity for debrief (including the successful Respondents).

Once contracts are executed a contract award notice will be published on GETS.

## ROI Mandatory Criteria

ROI Respondents must agree to the following mandatory criterion before its ROI submission will be considered for evaluation.

- If selected as a commissioning agency, the Respondent will provide data into the Integrated Data Structure (IDI) hosted by Statistics New Zealand.

## ROI Evaluation Criteria and Weightings

Criteria	Proposed weighting
<b>Commitment to the next iteration of Whānau Ora</b>	30%
<ul style="list-style-type: none"> <li>• Alignment of values and kaupapa with the Whānau Ora Outcomes Framework.</li> <li>• Complementing the social investment approach with Whānau Ora commissioning.</li> <li>• Achieving the next iteration of Whānau Ora commissioning including the proposed approach to measurement, IDI data input, and reporting.</li> <li>• Partnering with Te Puni Kōkiri, and collaborating with other selected commissioning agencies including continuous improvement and innovation.</li> <li>• The separation of commissioning services from the provision of services to whānau.</li> <li>• Building increased navigator numbers and capabilities across the region to better support whānau.</li> <li>• A standardised and consistent method for measuring progress of whānau against the Whānau Ora Outcomes Framework.</li> </ul>	
<b>Capability and capacity</b>	40%
<ul style="list-style-type: none"> <li>• Track record in providing whānau centred solutions.</li> <li>• In terms of personnel, the capacity of your organisation to provide the services required by Te Puni Kōkiri.</li> </ul>	

Criteria	Proposed weighting
<ul style="list-style-type: none"> <li>Operational and financial systems to manage delivery, including your ability to provide tabular machine-readable data.</li> <li>Know how to optimize service provider performance, encourage the development of whānau navigator capabilities and realize outcomes for whānau.</li> </ul>	
<b>Regional Coverage and Connections</b>	<b>30%</b>
<ul style="list-style-type: none"> <li>Organisation profile (including size, structure, consortium / collective arrangements).</li> <li>Evidence of understanding of considerations required to address the needs and aspirations of the whānau served.</li> <li>Existing and proposed connections with community and whānau across the region.</li> <li>Existing and proposed service provider network.</li> </ul>	
<b>Total weightings</b>	<b>100%</b>

Non-Weighted Criteria	Evaluation Method
<ul style="list-style-type: none"> <li>High level due diligence including information on insurances, legal claims history and bankruptcies.</li> </ul>	Pass / Pass with conditions / Fail
<ul style="list-style-type: none"> <li>A response to proposed contract principles to be included in the Outcome Agreement (how hard will it be to contract).</li> </ul>	Assessment of likelihood to be able to agree a contract

Notes: No pricing information is requested at the ROI stage. Any pricing information provided by Respondents at the ROI stage will not be evaluated.

## Evaluation Scoring Model

The Evaluation Panel will use the following rating scale to evaluate ROI submissions against the weighted criteria.

Note that the ROI Evaluation Plan will provide more detail on the approach to evaluating non-weighted criteria.

### Rating scale

Description	Definition	Rating
<b>Excellent</b>	Exceeds the requirement. Exceptional demonstration by the respondent of the relevant ability, understanding, experience, skills, resource and quality measures required to provide the goods / services. Response identifies factors that will offer potential added value, with supporting evidence.	9-10

<b>Good</b>	Satisfies the requirement with minor additional benefits. Above average demonstration by the respondent of the relevant ability, understanding, experience, skills, resource and quality measures required to provide the goods / services. Response identifies factors that will offer potential added value, with supporting evidence.	7-8
<b>Acceptable</b>	Satisfies the requirement. Demonstration by the respondent of the relevant ability, understanding, experience, skills, resource and quality measures required to provide the goods / services, with supporting evidence.	5-6
<b>Minor reservations</b>	Satisfies the requirement with minor reservations. Some minor reservations of the respondent's relevant ability, understanding, experience, skills, resource and quality measures required to provide the goods / services, with little or no supporting evidence.	3-4
<b>Serious reservations</b>	Satisfies the requirement with major reservations. Considerable reservations of the respondent's relevant ability, understanding, experience, skills, resource and quality measures required to provide the goods / services, with little or no supporting evidence.	1-2
<b>Unacceptable</b>	Does not meet the requirement. Does not comply and/or insufficient information provided to demonstrate that the respondent has the ability, understanding, experience, skills, resource and quality measures required to provide the goods / services, with little or no supporting evidence.	0

## RFP Evaluation

The Respondent's proposal at the RFP stage lays out their proposed solution and offer to Te Puni Kōkiri. The intended outcome is to identify and confirm the preferred Respondents for supply of Whānau Ora Commissioning services in each region to enter into the allocation process and Outcome Agreement negotiations.

The RFP document structure and content will be informed by the findings of the ROI process.

Submitted proposals will be evaluated against a mix of weighted and non-weighted criteria. The proposed criteria are set out below; however it is anticipated the final process for evaluation of RFP proposals will be refined through the ROI stage and will be set out in further detail in the RFP Evaluation Plan.

Proposals will be evaluated by the Evaluation Panel, with inputs from specialist advisors including relating to detailed cost analysis to inform a best public value assessment.

The Evaluation Panel will use the same rating scale to evaluate the weighted RFP criteria as they used for the ROI.

Respondents that progress through to the RFP stage may be asked to make a presentation to the Evaluation Panel and engage in further due diligence activities.

The Evaluation Panel will document the evaluation scores and best public value assessments and submit a Recommendation report to the Whānau Ora Steering Committee for approval.

The Whānau Ora Steering Committee will consult with the Secretary for Māori Development prior to approving the preferred RFP respondents for entry into contracting with Te Puni Kōkiri.





The evaluation results will be used to inform expectations for any negotiations with preferred Respondents and guide any due diligence activities.

#### **Draft RFP Evaluation Criteria and Weightings (subject to further revision, including from ROI process)**

<b>Weighted Criteria</b>	<b>Proposed weighting</b>
<b>Approach</b>	<b>40%</b>
<ul style="list-style-type: none"> <li>• Approach to providing fit for purpose whānau centric commissioning services.</li> <li>• Approach to achieving the next iteration of Whānau Ora including (without limitation) the approach to data and reporting.</li> <li>• Approach to ongoing improvement and innovation.</li> <li>• Existing and proposed service provider network (including navigator services).</li> </ul>	<hr/> <hr/> <hr/> <hr/>
<b>Supplier</b>	<b>40%</b>
<ul style="list-style-type: none"> <li>• Capacity / capability / key personnel.</li> <li>• Partnering with Te Puni Kōkiri and collaborating with other selected commissioning agencies.</li> <li>• Operational service delivery (including (without limitation data, systems and reporting).</li> </ul>	<hr/> <hr/> <hr/>
<b>Implementation and transition</b>	<b>20%</b>
<ul style="list-style-type: none"> <li>• Implementation and transition approach and plan.</li> </ul>	<hr/>
<b>Total weightings</b>	<b>100%</b>
<b>Non-Weighted Criteria</b>	<b>Evaluation Method</b>
Response to terms of Outcome Agreement.	Pass / Fail
Funding model and commissioning agency cost to operate.	Relative value*
Further due diligence.	

\* The cost to operate the arrangement will be considered in determining the relative overall value for money over the whole-of-life of the Outcome Agreement.

As Te Puni Kōkiri wishes to obtain the best value-for-money over the whole-of-life of the Outcome Agreement, achieving the right combination of fit for purpose, quality, delivery, price, and commercial terms will be critical.

## Evaluation Panel

An Evaluation Panel will be responsible for evaluating and scoring ROI submissions and RFP proposals at the relevant stage of the procurement.

The Evaluation Panel will report to the Whānau Ora Steering Committee with their recommendations.

The Whānau Ora Steering Committee will approve, consult with, or provide advice / recommendations to the Secretary for Māori Development, as per the responsibility table in Appendix 2.

To avoid doubt, the Evaluation Panel may be different in the ROI and RFP stages.

The Evaluation Panel is being established and will be defined in the ROI Evaluation Plan.

It is important to ensure evaluation panel independence and to maintain separation of duties between:

- People who are responsible for completing the evaluation and producing the evaluation reports and recommendations; and
- People acting in governance roles, who are responsible for endorsing and approving the report and accepting the recommendations – including the Whānau Ora Project Steering Committee and Executive Leadership.

For this reason, the membership of the evaluation panel, specialist advisors and procurement support will not include any Steering Committee members or Executive representatives who are also involved in endorsements and approvals following the completion of the evaluations.

## Evaluation support and advisors

The evaluation panel will be supported by the following non-voting advisors and support resource:

- A non-voting evaluation panel facilitator and moderator.
- Secretariat support to manage logistics, provide administrative support, provide best practice procurement and evaluation guidance, and document key decisions under the instruction of the panel, for the panel to review.
- Legal Advisors - A team of technical legal, commercial and financial advisors.
- Independent probity auditor.

External Expert Advisors	Title	Represents	Role
9(2)(a)	Partner	Russell McVeagh	Legal advisor
9(2)(a)	Senior Solicitor	Russell McVeagh	Legal advisor
9(2)(a)	Senior Consultant	9(2)(a)	Diligence / support cost modelling

Support	Title	Represents	Role
9(2)(a)	Director	9(2)(a)	Procurement Lead / Moderation Lead

9(2)(a)	Advisor	Te Puni Kōkiri	Advisor / Procurement Coordination
Steven Heath	<i>Probity Assurance</i>	Audit NZ	Independent external probity assurance

Membership of the evaluation panel will be documented in the relevant detailed evaluation plan for the ROI and RFP stages.

## Due diligence

During the ROI stage, Respondents will be asked to provide information related to:

- Conflict of interest; and
- Current or previous litigation and disputes.

Te Puni Kōkiri will undertake due diligence based on the information provided.

At Te Puni Kōkiri discretion, at the RFP stage or any later stage during the evaluation process any Respondent may need to satisfy some or all of the following due diligence activities that Te Puni Kōkiri may carry out, including (but not limited to):

- Health and safety;
- Financial due diligence (including audited accounts) to assess the Respondent's financial viability through the review of financial statements and relevant information provided in the Registration;
- Companies Office and/or credit checks;
- Reviewing the proposed legal structures of any joint, consortium or collective approach (in particular the nature of the legal relationships and the division of responsibilities);
- Assessing the proposed organisational arrangements, including (without limitation) the governance arrangement and organisational structure; and
- Reference checks.

Additional due diligence activities (as required) may be carried out by Te Puni Kōkiri at its sole discretion.

## Outcome Agreement negotiations

Outcome Agreement negotiations will occur with each preferred Respondent. The intent is for the Outcome Agreement to be a standard agreement across all commissioning agencies and Te Puni Kōkiri. Therefore, any amendments to the Outcome Agreement agreed to by Te Puni Kōkiri during negotiations should be offered to all preferred Respondents unless there is clear justification not to.

It is anticipated that two Deputy Secretaries will negotiate the outcomes agreements on behalf of Te Puni Kōkiri, namely the Deputy Secretary Regions and the chairperson of the Whānau Ora Steering Committee, along with external expert advisors as required to assist the negotiations.

The Whānau Ora Steering Committee will submit a final recommendation to appoint commissioning agencies and execute the Outcome Agreements to the Secretary for Māori Development when negotiations are successfully concluded (noting any recommendations to reject a Respondent's proposal will be included if Te Puni Kōkiri and a Respondent cannot sufficiently conclude negotiations).

An Outcome Agreement negotiation plan will be submitted for approval to the Whānau Ora Steering Committee outlining the desired approach and detailed plan.

## Regional Boundary Confirmation Process

Regional boundaries are indicated by Te Puni Kōkiri in the ROI and confirmed in detail in the RFP.

As part of the RFP evaluation, Te Puni Kōkiri will finalise the geographic areas that it intends to agree, subject to negotiations, with each successful respondent.

Negotiations will also include transition and implementation terms, including the timeline for transitioning from an incumbent commissioning agency to a successful Respondent (where necessary).

Funding for the regional areas will not be negotiated. Funding will be a function of the Whānau Ora commissioning funding model informed by a quantifiable assessment of population deprivation and other relevant factors. The model is the responsibility of Te Puni Kōkiri. The exact amount of funding provided to each commissioning agency will be a function of the agreed regional boundaries and the Whānau Ora commissioning funding model. The amount of indicative funding per region will be included in the RFP.

## Section 5. Outcome Agreement

### Outcome Agreement

The agreement to be entered into by successful Respondents will reuse contractual provisions similar to those that are in the existing Outcome Agreement where suitable, supplemented by new provisions to update and improve the contract, including to complement the social investment approach, improved reporting and measurement, and shift in funding focus to the 'front line'.

The Outcome Agreement will provide for the substantive changes to the Whānau Ora approach endorsed by the Minister (for example, commissioning agencies based on regional boundaries).

The Secretary for Māori Development (signing under delegated authority from the Minister on and behalf of the Crown) will execute the negotiated Outcome Agreement with each selected Respondent. Specific commissioning arrangements and timelines for transition will be agreed as part of the allocation process (and contracted for using the Outcome Agreement arrangement).

Outcome Agreement terms and conditions are under development and will be submitted for approval as part of the request to release RFP documentation (a draft template Outcome Agreement will be released to market with the RFP).

The intention is to contract commissioning agencies for an initial contract term of six years from 1 July 2025 to 30 June 2031, with two rights to renew for three years each, for a total contract term of up to 12 years, ending 30 June 2037.

## Performance Management

The Whānau Ora Outcomes Framework will be used to underpin performance within the Outcome Agreement. Indicators beneath each of the outcomes will be refreshed – either through the negotiations process or through the development of Investment Plans with the commissioning agencies.



General performance will be managed under an updated performance framework based on best practice standards and measures for social investment, and the social sector, but consistent with the Whānau Ora approach. Indicative general performance measures (focused on operations/administration) are outlined in the figure below.

Financial Management	Risk Management	Governance and Decision-Making	Procurement	People & Capability	CA Collaboration
1. Is this CA managing its funds efficiently? 2. How does the CA use the allocated funds?	1. What is the CA risk rating and how do they propose to manage those risks? 2. How do the CAs manage confidential information?	1. Does the CA manage conflict of interests? 2. Does the CA effectively manage its initiatives and programmes? 3. How will CA innovate over the life of the contract?	1. Does the CA have a diverse set of 4 <sup>th</sup> party providers? 2. Does the CA make prompt payment to 4 <sup>th</sup> party suppliers? 3. Controls over 4 <sup>th</sup> party suppliers	1. Is the CA sustaining and growing the capability of its workforce?	1. How will the CA collaborate with other CA to support the continuous improvement of Whānau Ora? 2. What Joint initiatives and programmes have been undertaken?
<b>Variance</b> between budget and actuals is < X%  <b>Operating expenses ratio</b> i.e. Operating expense is < X% of total cost	Maintaining and disclosing risk register (including risks caused by 4 <sup>th</sup> Party) – critical risks are identified, assessed, monitored, managed, reported  <b>Data and security risk</b> - Number of security breaches	% of initiatives/activities that meet deadline or milestone  % of funds invested in innovation activities/ initiatives  Assess, manage and report conflict of interests regarding 4 <sup>th</sup> party outsourcing arrangements	<b>4<sup>th</sup> party supplier diversity</b> Percentage of supplier which are Māori business  <b>Prompt payment of 4<sup>th</sup> party</b> Percentage of invoices paid within 10 working days (govt. target 90%)	<b>FTE efficiency</b> Attrition rate / Growth rate of FTE  <b>Coverage of core functions</b> Number of key roles that are vacant	Number of joint initiatives/ programmes in play

Standard performance reporting will be provided on a regular basis (in accordance with a standard set of performance measures to cover administrative/operational performance, financial performance and delivery of outcomes), with more comprehensive performance reporting occurring periodically.

The specific performance arrangements are under development and will be submitted for approval as part of the request to release RFP documentation (excluding the Whānau Ora Outcomes Framework indicators, which will be developed over a longer period of time, including input from RFP respondents and the successful Commissioning agencies).

## Governance and reporting

A governance structure and ways of working is being developed with inputs from Whānau Ora Operations representatives to confirm an overarching set of relationship principles, relationship structure, and risk and issue management environment for the future arrangement. The design will be shared with the market (i.e., suggested principles and roles that Te Puni Kōkiri will have in place to support governance of the Outcome Agreement) as part of the RFP documentation. The arrangement will be submitted for approval as part of the request to release RFP documentation.

## Transitioning to the new arrangement

Transition will occur between April to June 2025, with the intent of having an operational commencement date of 1 July 2025. The current agreement with incumbents does not stipulate an end date for transition (but requires incumbents to support transition). This provides Te Puni Kōkiri with some flexibility to design a fit for purpose transition process. Any changes to incumbent arrangements will be communicated to incumbents as part of communicating the outcome of negotiations and executing the new outcomes agreements.

Comprehensive mobilisation and transition planning is required to manage the following requirements:

- Sustained provision of service throughout transition;
- Transition of a regional area, or areas, from one commissioning agency to another. This includes transition of agreements between service providers and commissioning agencies, and supply of services to whānau; and
- Transition costs and the funding arrangement.

The key transition risks to be managed include:

- Seamless transition without disruption to services; and
- Transition of relationships and intellectual property to support the continued success of Whānau Ora.

Respondents will be asked to propose an approach to transition within their proposals. Mobilisation and transition planning will occur throughout the procurement and completed as part of negotiations.

## Managing implementation

The responsibility for managing delivery under the Outcome Agreements and commissioning agency relationship management will pass to the Director, Investments on the signing of the Outcome Agreements. This role will develop a management plan for the Outcome Agreement and relationship, in consultation with each successful commissioning agency.

## Section 6. Risk management

Overall, this procurement is considered high value, high risk.

Key risks have been assessed against the risk framework detailed at *Appendix 1*. They have been assessed based on likelihood (L) and consequence (C).

The key for the following risk tables is:

- **Likelihood (L):** R = rare U = unlikely P = possible L = likely A = almost certain.
- **Consequence (C):** N = negligible L = low M = moderate H = high E = extreme.

### Highest rating risks in the procurement process

Risk	L	C	Rating	Mitigation action	Responsible
IF timeframes are not adequate at any stage of the procurement process, THEN deadlines could be missed, leading to disruptions in services, delays in delivery, increased costs and potential negative impacts on Te Puni Kōkiri relationships with existing/potential commissioning agencies.	L	H		<ul style="list-style-type: none"> <li>• Ensure that time contingencies are in place throughout the entire timeline to account for potential delays and challenges.</li> </ul>	Project Director
IF potential Respondents deem time to respond is too short THEN they may choose not to respond or request an extension	P	H		<ul style="list-style-type: none"> <li>• 2 stage process reduces effort for Respondents at ROI</li> <li>• Design of response documents needs to be fit for purpose and right-sized</li> </ul>	Project Director and Procurement Lead
IF the procurement is subject to challenge THEN the procurement may need to postponed or cancelled, resulting in reputational risk and the commencement date of 1 July 2025 not being met	P	H		<ul style="list-style-type: none"> <li>• Anticipate potential areas of challenge and mitigate in planning and approach</li> <li>• Develop a comprehensive communications strategy and plan</li> <li>• Be prepared to extend current contracts</li> <li>• Continue planning during any challenge so that once resolved, the procurement can promptly progress</li> </ul>	Project Sponsor, Project Director and Procurement Lead

Risk	L	C	Rating	Mitigation action	Responsible
IF a Respondent submits a disruptive bid THEN the procurement process may be disrupted	P	H		<ul style="list-style-type: none"> <li>Set clear expectations in the ROI and RFP documentation</li> <li>Be prepared to extend current contracts if required</li> </ul>	Project Director and Procurement Lead
IF incumbents are not sufficiently notified and engaged THEN there may be negative media attention regarding the Whānau Ora expansion.	P	M		<ul style="list-style-type: none"> <li>Incumbent commissioning agencies individually advised.</li> <li>Advance Notice issued.</li> <li>Ongoing provision of information aligned to agreed messaging available to the market via Comms Plan.</li> </ul>	Project Sponsor
IF probity is not adequately managed THEN a respondent may have (or it may be claimed that they have) an unfair advantage, and the integrity of the procurement may be compromised	P	H		<ul style="list-style-type: none"> <li>(See probity management section).</li> </ul>	Project Director
IF there is insufficient time to build market interest, THEN there may be an insufficient number of interested parties to achieve investment objectives	P	H		<ul style="list-style-type: none"> <li>Initial socialisation of a potential return to market opportunity earlier in 2024.</li> <li>Advance Notice issued on GETS 3 weeks prior to release of ROI.</li> </ul>	Project Director
IF there is not a clear articulation of desired outcomes and requirements in the procurement documentation, THEN the quality of proposals may not be sufficient to achieve the investment objectives	P	H		<ul style="list-style-type: none"> <li>Working sessions with key internal stakeholders to develop scope and requirements.</li> <li>Engagement with governance to confirm design inputs.</li> </ul>	Project Sponsor



Risk	L	C	Rating	Mitigation action	Responsible
IF there is not close engagement with the Minister to clarify the Minister's expectations for the future of Whānau Ora THEN there may be misalignment between the procurement materials and the Minister's vision and expectations	U	H		<ul style="list-style-type: none"> <li>Engage with the Minister in the purpose, scope and approach to the procurement.</li> <li>Keep the Minister updated as the procurement progresses.</li> </ul>	Project Sponsor

#### Key risks in delivering the Outcome Agreement

Risk	L	C	Rating	Mitigation action	Responsible
IF intellectual property held by the incumbents is lost through transition (if incumbents are not appointed in the future arrangement), THEN the quality of Whānau Ora delivery may be compromised	P	H		<ul style="list-style-type: none"> <li>Engagement with incumbents to agree approach to any transition</li> <li>Procure capable and experience commissioning agencies</li> <li>Rely on the IP and knowhow of service providers for continuity of support to whānau</li> </ul>	Project Director
IF transition is not carefully planned THEN there may be disruption to service provision	P	H		<ul style="list-style-type: none"> <li>Project to complete detailed mobilisation and transition planning</li> </ul>	Project Director
IF new entrants are not prepared for transition THEN their ability to mobilise in the agreed timeframes while maintaining quality standards could be compromised.	P	H		<ul style="list-style-type: none"> <li>Consider transition as part of the ROI and RFP process</li> <li>Identify transition risks and mitigate by the use of existing commissioning agencies and existing service providers for longer if required</li> </ul>	Project Director

## Section 7. Probity management

It is essential that Te Puni Kōkiri demonstrates ethics and integrity in its procurements. This means:

- Acting fairly, impartially, and with integrity;
- Being accountable and transparent;
- Being trustworthy and acting lawfully;
- Managing conflicts of interest; and
- Protecting the respondent's commercially sensitive and confidential information.

Probity in this procurement will be managed by:

- Engaging external specialist procurement advisors, 9(2)(a), in a non-voting capacity to lead the procurement activity, provide good practice advice and monitor probity
- Engaging independent probity assurance to provide probity advice and assurance and monitor probity matters throughout the procurement. The supplier will be selected through a secondary procurement process using the All of Government consultancy services panel for assurance services.
- Ensuring compliance with the code of conduct in place at Te Puni Kōkiri, and the Public Services Standards of Integrity and Conduct <https://www.publicservice.govt.nz/guidance/guide-he-aratohu/standards-of-integrity-and-conduct>
- Ensuring that financial authority for the procurement is approved before proceeding to tender
- Ensuring that everyone involved in the procurement activity (including decision makers and approvers) completes a Conflict of Interest and Confidentiality form declaring any actual, potential, or perceived conflicts of interest.
- Developing and agreeing a management plan for managing any declared conflicts and recording this in the probity register. Conflicts of Interest will also be reviewed once Respondents to the tender activity are known to check if any further action is required to manage declared conflicts.
- Identifying and effectively managing all conflicts of interest
- Providing evaluation panel members with instruction on evaluation process probity, how to evaluate the responses, security of information, process steps, timeframes, and scoring methodology.
- Ensuring engagement with interested parties and incumbents regarding the procurement is recorded and complies with probity standards
- Managing advertisement of the opportunity and clarifications via GETS.
- Ensuring that receipt of all proposals is documented
- Retaining one copy of each proposal and destroying remaining copies once the proposals process ends
- Treating all respondents equally and fairly
- Providing each respondent with a comprehensive debrief at the end of the tender process.
- Providing the Business Sponsor with written reports at critical, governance decision points during the procurement process, to endorse the procurement processes used as being compliant with administrative law, the Government Procurement Rules, Te Puni Kōkiri procurement policy and procurement good practice.

## Appendix 1: Risk framework

Key risks have been assessed using this risk analysis framework.

LIKELIHOOD of risk happening	Almost certain	amber	amber	red	red	red
	Likely	yellow	amber	amber	red	red
	Possible	yellow	yellow	amber	amber	red
	Unlikely	green	yellow	yellow	amber	amber
	Rare	green	green	yellow	yellow	amber
		Negligible	Low	Moderate	High	Extreme
CONSEQUENCE if the risk happens						

Diagram: Risk analysis framework

## Appendix 2: Approvals RASCI

Artifact	Whānau Ora Steering Committee	Te Tumu Whakarae mō Te Puni Kōkiri   Secretary for Māori Development
Procurement Plan	Approve	Informed
Registration of Interest (ROI)	Approve	Informed
ROI Response Form	Approve	Informed
ROI Evaluation plan	Approve	Consulted
Approved shortlist of ROI respondents	Approve	Informed
Request for Proposal (RFP)	Approve	Informed
RFP Evaluation Select preferred respondents from RFP	Approve	Consulted
Negotiation Plan for contracting	Approve	Informed
Recommendation to appoint successful Commissioning Agencies	Recommend	Approve







**Te Puni Kōkiri**  
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