

27 November 2024

Te Minita mō Whānau Ora

HE PĀRONGO | AIDE MEMOIRE

Whānau Ora Procurement Update

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Purpose

1. This aide memoire provides you with an update on the procurement activity relating to Whānau Ora Commissioning services.

Context

2. Your priority for the Whānau Ora portfolio is to enable its adoption as a public service model for improving outcomes for New Zealanders with distinct needs.
3. The first phase in achieving this includes resetting Whānau Ora Commissioning services to strengthen alignment with the Government's targets and the emerging Social Investment approach. The timing of this coincides with the natural endpoint of existing multi-year Whānau Ora Commissioning contracts and fulfills public stewardship obligations, noting that open tendering has never previously occurred.
4. Earlier this year, Te Puni Kōkiri provided you with advice on options to strategically reset Whānau Ora (48367, 48560 and 48994 refers). Following this, on 25 August 2024 you directed Te Puni Kōkiri to commence the procurement process for Whānau Ora Commissioning services for four regions (49277 refers). That guidance has been reflected in the procurement approach.

Procurement Progress: Part 1: Registration of Interest

5. The first stage of the two-stage procurement process was the Registration of Interest (**ROI**). This was advertised on the Government's Electronic Tendering Service (**GETS**) and closed on 24 October 2024. Te Puni Kōkiri received 29 ROI responses from a total of 23 entities. A cross-agency panel evaluated responses and provided a report to the Te Puni Kōkiri governance committee on the suitability of respondents to progress to the next stage.
6. On 7 November 2024, the Te Puni Kōkiri governance committee approved the shortlisting of three respondents for each of the four regions. In total ten entities have been invited to participate in the second stage of the procurement, which is a closed Request for Proposal (**RFP**). There are ten, not twelve, because two entities applied and were successfully shortlisted for both Regions 1 and 2. On 13 November 2024, Te Puni Kōkiri notified all Respondents of the outcome of their registrations, including both successful and unsuccessful Respondents.

7. We have now received an independent procurement process assurance report which found no issues of note arising from the ROI process.

Procurement Progress: Part 2: Request for Proposal (current)

8. RFP documentation was released to the ten shortlisted entities on 22 November 2024. It included more specific information on the nature of the procurement, including financial modelling information, regional targets to increase Navigator numbers and expectations for further devolution of service decisions. Unlike the ROI, the RFP is not in the public domain and has not been distributed via GETs.
9. Key points to note are as follows:
 1. funding is shifting from an input-based approach to an outcomes-focused model (the number of Navigators engaged will determine funding quantum, within pre-set ranges);
 2. funding is transparently linked to regional size and needs via indexing linked to population sizes and levels 8-10 deprivation data for all New Zealanders based on Census 2023 data;
 3. commissioning entities will now be required to establish Investment Boards to guide decisions on the placement of Navigator services across their region (noting the focus on government targets), and for the allocation of Other Whānau Initiatives funding to better ensure devolution of services and localised inputs; and
 4. data management is to align with IDI requirements and social investment methodology.
10. The RFP also includes more nuanced aspects to the changes, such as the holding of commissioning overhead costs at 17% of all funds, a focus on Navigator training and upskilling, and the direct ability for Navigator services to move beyond the 'health and wellbeing sector'.

Te Tautuhi-ō-Rongo Analysis

11. The effectiveness of Whānau Ora addresses the Ōritetanga domain of Te Tautuhi-ō-Rongo which enables whānau Māori and communities to participate in quality services that reflect their background as tangata whenua.
12. Devolved commissioning is a way to join up effort and resource for connected issues and outcomes. This gives effect to the kāwanatanga domain of Te Tautuhi-ō-Rongo as Whānau Ora is a pathway to improve government systems in strengthening service delivery, and the achievement of whānau wellbeing outcomes, for Māori and non-Māori whānau.

Procurement: Next Actions

13. The RFP will close on 19 December 2024. Once the responses have been evaluated, recommendations will be made to the Te Puni Kokiri governance committee. The Secretary for Māori Development will make final decisions as the delegated administrator of the Whānau Ora appropriation. Once decisions are made, in February, Te Puni Kokiri will invite successful Respondents to commence contract discussions, for new services to commence on 1 July 2025.

Your Role

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Hautū, Te Puni Rohe | Deputy Secretary, Regions

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