

23 September 2016

Virginia McMillan  
Wellington Correspondent  
New Zealand Doctor  
Wellington

By email: vmcmillan@clear.net.nz

REF: OIA-1635

Dear Ms McMillan

### Response to OIA request

Thank you again for your request for official information emailed to me on 26 August 2016.

See our responses to each of your questions below.

I have also included the responses below to this OIA request that I emailed you on 2 September. For your convenience, I've italicised the new responses.

#### Food

**1. Was the six-DHB food service agreement for 15 years, as originally intended?**

The length of the FSA is 15 years for the three district health boards - Auckland, Counties Manukau and Waitemata - which initially signed on 18 December 2014. However, the FSA end date is the same for all DHBs that join. Therefore those that join later will be subject to the agreement for a shorter period than the original three.

**2. What is the contract sum over the FSA contract period?**

*The contract sum for the original three DHBs is \$365M (NPV) over the length of the 15-year agreement.*

**3. What savings was it expected at the conclusion of the negotiation that the FSA would create over the term?**

The original Business Case estimated \$155 - \$190 million of savings in today's dollars. This estimate was based on data from 2012. NZ Health Partnerships is conducting a re-baselining exercise with DHBs which will underpin more accurate forecasts. There are a large number of variables however, particularly over a 15-year contract. Variables include food and labour inflation and total DHB participation volumes. Short-term participation volumes are expected to be known on 30 September, however NZ Health Partnerships expects to continue working with a number of its DHB shareholders beyond this point. A revised interim baseline will be calculated by mid-October.



4. Is there any change in the status of DHB FSA participation in the table provided to me on page 4 of my OIA response dated 24 June 2016? If so, what?

*Six DHBs are participating; seven have formally declined; one has deferred its decision till next year; and six are yet to give formal notification of their intentions.*

#### National Oracle Solution

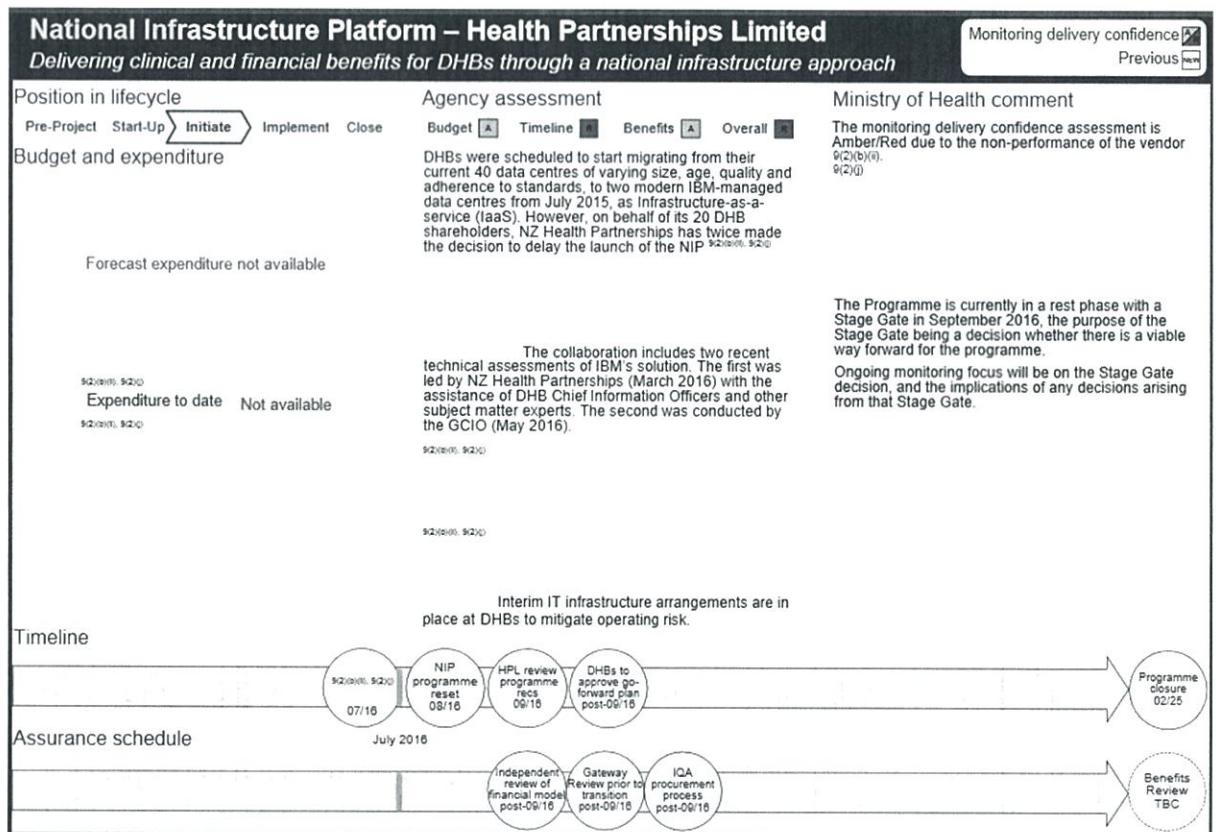
5. In June, this had not been launched. Is this still the case? If launched, please update where it is under way.

The build of the core solution is on track to be completed Sep/Oct. Implementation will get underway in 2017 in a series of waves starting with the Canterbury, Waikato, Bay of Plenty and West Coast DHBs.

#### National Infrastructure Platform

6. Is there an update on the status of this programme?

*See below, section on NIP from Major Projects Performance Report – July 2016 released 21 September 2016.*



<http://www.treasury.govt.nz/statesector/investmentmanagement/publications/majorproject>

7. More specifically, have Waikato and Wairarapa DHBs reached a conclusion on their considerations and has CCDHB signed a contract?



*No CCDHB has not signed the contract however generally things have moved on. We'll give you an update shortly.*

#### General

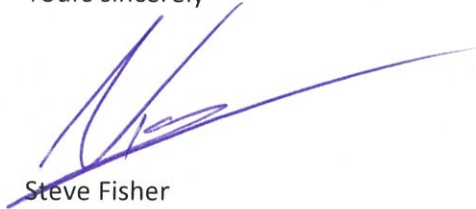
8. **Have compensatory fees been paid to any entity for the failure to deliver to them the originally negotiated number of DHBs into a commercial arrangement? - NIP (which will lack Tairāwhiti); food (with some not participating); linen and laundry (not proceeding as a bulk arrangement)? if so, please outline.**

No. There are no compensatory fee arrangements in any of the commercial contracts.

#### Your rights

Please note that under section 28(3) of the OIA, you have the right to complain to the Ombudsman and to seek an investigation and review of this decision. Email: [info@ombudsman.parliament.nz](mailto:info@ombudsman.parliament.nz)

Yours sincerely



Steve Fisher

General Manager, Engagement and Communications



