

Government of Newfoundland and Labrador's

**REQUEST FOR QUALIFICATIONS (RFQ)
for**

**Corner Brook
Acute Care Hospital Project**

RFQ#10915

Fairness Advisor's Report

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1. Introduction

RFP Solutions Inc. was engaged by the Government of Newfoundland and Labrador (GNL) as a Fairness Advisor (FA) to observe the competitive procurement processes through a Request for Qualifications (RFQ), followed by a Request for Proposals (RFP) for an Acute Care Facility in Corner Brook, Newfoundland. RFP Solutions Inc. was engaged on January 31, 2018 through a competitive process conducted by the Government of Newfoundland and Labrador.

RFP Solutions Inc. hereby submits this Fairness Report related to the RFQ stage for the Corner Brook Acute Care Hospital Project procurement process for the Government of Newfoundland and Labrador. This report covers the activities of the Fairness Advisor, commencing with the review of the RFQ (including issued Addenda) as provided to the Respondents, prior to the solicitation closing period, and through the evaluation of Responses leading to the shortlisting of Project Proponents eligible to receive the RFP.

The report includes a summary of the scope and objectives of our assignment, the methodologies applied and relevant observations from the activities undertaken during this phase and our opinion of assurance.

RFP Solutions Inc. is an independent third party with respect to this process.

2. Corner Brook Acute Care Facility - Project Requirements

The Government of Newfoundland and Labrador and the Western Regional Health Authority (collectively “the Authority”) is planning to build a new 164 bed acute care regional hospital facility at a new site in Corner Brook (“the Project”). The new hospital will enhance and expand the scope of clinical services currently provided by the existing Western Memorial hospital (the decommissioning of the existing Western Memorial Hospital is outside the scope of the Project). The new facility is expected to consist of approximately 50,000 m² and will provide clinical areas and services including inpatient, mental health, maternity, interventional, ambulatory care, emergency, cancer care, medical imaging, lab, concierge and regional and shared support.

The Project will include the design, construction, financing and maintenance of the acute care hospital facility, along with developing a number of areas of Site Works and integrating a number of areas of Shared Site Infrastructure that will be required for the Project and for the Corner Brook Long Term Care (CBLTC) facility (currently being developed pursuant to a separate Agreement), which is to be located adjacent to the Project.

3. Fairness Advisor’s Activities and Observations

RFP Solutions Inc. provided Fairness Advisor activities including:

- The review of the RFQ solicitation documents including addenda;
- A review and provision of comments on Introductory Project Meeting materials and oversight of the Meeting held by the Authority;
- A review and provision of comments on the evaluation materials and process including instructions to the Evaluation Committee with respect to fairness and alignment to RFQ documents;

- Participation in an Evaluation Orientation session to inform evaluators on their roles and responsibilities, as well as the principles of fairness;
- Verification of Responses received and protocols for document handling and safeguarding;
- Oversight of the evaluation of the RFQ Responses, attendance at the evaluation meetings, including consensus and providing review and comment on clarification questions with respect to fairness and alignment to the RFQ requirements; and
- Review of the final evaluation results for the RFQ that identified the highest ranked Respondents.

4. Methodology

The Role of the Fairness Advisor

In all respects, the Fairness Advisor serves as a neutral and objective third-party during the procurement process, with no interest, financial or otherwise, in the outcome of the process, other than ensuring that an open, fair and transparent process was followed.

The following Principles of Fairness were used in the conduct of this mandate and in arriving at our Opinion on the fairness of the RFQ process to date:

1. **Transparency** – the process is open and accessible to all participants;
2. **Integrity** – the process is undertaken in accordance with what is ethically right and proper;
3. **Equality** – all participants are subject to the same rules and opportunities;
4. **Neutrality** – all participants are treated with an absence of bias or favouritism;
5. **Consistency and Compliance** – All participants are assessed in accordance with the solicitation and applicable legislation, policy and regulations; and
6. **Objectivity** – All observations and assessments are evidence-based.

In accordance with the terms of our engagement, we familiarized ourselves with the relevant documents and observed solicitation activities (e.g., review of the RFQ, Questions and Answers, and Addenda, Introductory Project Meeting with potential Respondents, attended the evaluation of Responses leading to the identification of the qualified Proponents, etc.) identifying fairness-related matters to the Project Lead and reviewing that responses and actions were reasonable and appropriate.

4.1 RFQ Planning / Pre-Issuance

GNL posted the RFQ and two (2) of three (3) Addenda for RFQ#10915 prior to the Fairness Advisor commencing work.

Observations

The Fairness Advisor reviewed the RFQ and the two (2) Addenda after posting and no fairness concerns were observed.

4.2 RFQ Posting Activities

The RFQ documentation was posted via the Government of Newfoundland and Labrador's tender website, with the requirement for interested Respondents to request a copy of the RFQ package from the RFQ Contact identified on the website. The RFQ was posted on January 12, 2018 with a closing date and time of March 15, 2018 at 3:00 pm Newfoundland Time.

During the posting period, the Authority held an Introductory Project Meeting via web presence to introduce potential Respondents to the Project. The session was not mandatory in nature, such that whether Respondents participated in the meeting or not, they remained eligible to submit a Response to the RFQ. The webinar was held January 31, 2018, and consisted of a presentation of the Project by the Authority supported by its Procurement Advisor, followed by a Question and Answer period during the meeting. Participants were requested to complete and return a Receipt Confirmation Form to the RFQ Contact in order to register for the meeting and receive the webinar details.

A total of three (3) addenda were issued during the posting period, containing revisions to the RFQ and questions and answers. Addendum #3 extended the closing date of the RFQ to March 29, 2018. Addenda containing questions and answers were issued publicly and available to all potential Respondents.

Through the RFQ inquiries process, the Authority RFQ Contact also received one (1) question from a potential Respondent that the reviewed and determined to be confidential in nature as it related to the potential Respondent's financial statements. Following review and assessment, including consultation with the Fairness Advisor, the Authority responded directly to that potential Respondent.

Observations

The Fairness Advisor reviewed and provided comments on Addendum #3 prior to its issuance. The Fairness Advisor was also consulted by the Authority on the classification of the one (1) question relating to financial statements as confidential and was provided the opportunity to review and provide comments on the response to this question prior to its issuance by the Authority to the questioner.

Although the Fairness Advisor had not yet formally commenced work, the Fairness Advisor was invited to review the Introductory Project Meeting presentation material prior to its presentation to potential Respondents and attend the webinar to observe the Presentation and the Project Meeting's Question and Answer period.

Overall, no fairness concerns were identified during the posting period, and there were no fairness concerns with respect to the Introductory Project Meeting, Addenda or any Questions and Answers issued by the Authority.

4.3 RFQ Closing Activities

The Responses were received through the bid receiving unit of the Government of Newfoundland and Labrador.

Hard copy and electronic copies of responses were held in a secure location at GNL's facilities until such time as Evaluation Committee members had been cleared to participate in the evaluation process through completion of the Non-Disclosure Agreement and Conflict of Interest Undertaking and had received clearance by the Relationship Review Committee (see further in section 4.4 below).

Observations

The Fairness Advisor reviewed the manner in which the Responses to the RFQ were received and handled at closing.

Two (2) Responses were received and handled in accordance with the deadline and requirements stated in the RFQ.

Responses were received from:

- Atlantic Healthcare Partnership
- Corner Brook Healthcare Partnership

No fairness concerns were observed.

4.4 Evaluation Preparation Activities

Prior to the commencement of the evaluation process, the Authority, with the support of its Procurement Advisor, prepared internal evaluation guidelines (Evaluation Manual) and RFQ evaluation scoring grids to support the evaluation process.

The Authority also prepared a Non-Disclosure Agreement and Conflict of Interest Undertaking that all members of the Evaluation Committee and all other participants who would be present during the evaluation process (e.g. the Authority's Procurement Advisor) were required to complete and sign prior to undertaking any evaluation related activities.

A relationship review was conducted by the Relationship Review Committee to ensure there were no Conflicts of Interest between the evaluation participants and the Respondents, Team Members and Key Individuals. Where there were potential relationships disclosed, the Fairness Advisor's review was sought by the Relationship Review Committee. There were no fairness issues discovered during this process.

Following the clearance of all parties to participate in the evaluation process, an initial kick-off meeting and orientation was held with the members of the evaluation process on April 10, 2018.

Following the completion of the kick-off meeting, electronic access to Responses were provided to members of the Evaluation Committee via the Authority's secure data room. Hard copies of the Responses were distributed to the Evaluation Committee members, with formal check-in and check-out procedures implemented as set out in the Evaluation Manual. Confidential Financial Statements and financial information of Respondents were provided directly to the Authority's Financial Advisor (Ernst and Young) in accordance with the Non-Disclosure Agreement process set out in the RFQ.

Observations

The Fairness Advisor was provided the opportunity to review the evaluation process as set out in the Evaluation Manual including evaluator responsibilities, code of conduct, security, confidentiality and conflict of interest requirements, and evaluation methodology. All comments raised by the Fairness Advisor were fully addressed by the Authority.

The Fairness Advisor reviewed the evaluation scoring grids to be used by the Evaluation Committee to complete their evaluations. The evaluation scoring grids aligned to the RFQ.

The Fairness Advisor provided assurance as to the objectivity of evaluation criteria and process; and reviewed the orientation materials as well as attended the evaluation orientation session to provide guidance on the principles of fairness, to mitigate the potential for inconsistency or errors in the eventual application of evaluation criteria by the Evaluation Committee.

No fairness concerns were observed.

4.5 Mandatory Review Activities

The single mandatory requirement of the RFQ was that the Response had to be received on or before the closing time identified in the RFQ. All Responses were deemed to be responsive to this requirement and therefore eligible to proceed to technical evaluation.

Observations

The Fairness Advisor confirmed this finding and observed no fairness concerns.

4.6 Technical Evaluation Activities

An Evaluation Committee, comprised of six (6) representatives of the Government of Newfoundland and Labrador (GNL) and the Western Regional Health Authority, was responsible for the evaluation of Responses, support by one (1) subject matter expert. Evaluation Team comprised of representatives from the Authority's Financial Advisor (Ernst and Young) and one (1) representative of GNL.

The Evaluation Committee was responsible for the following areas:

- Design-Build;
- Services; and
- Financial Capacity – supported by the Financial Capacity Evaluation Team.

Each member of the Evaluation Committee and the Financial Capacity Evaluation Team were mandated to conduct independent evaluations of their assigned sections of the RFQ evaluation criteria, followed by a consensus evaluation for their assigned sections.

The Evaluation Committee members completed individual evaluations between April 11 – April 24, 2018, with a progress meeting held on April 19, 2018, facilitated by the Authority's Procurement Advisor, for the evaluators to bring forward any requirements for clarification. No requirements for clarifications were raised during this meeting.

The review of financial statements informing the Financial Capacity Evaluation Team's consensus was conducted by two (2) representatives from Ernst and Young, subject to Non Disclosure Agreements. The Financial Capacity Evaluation individual evaluations and consensus were conducted by these same two (2) representatives of the Authority's Financial Advisor and one (1) representative of GNL. The Financial Capacity Evaluation Team reaffirmed the confidentiality measures in place for confidential financial statements were respected throughout the process. The GNL representative on the Financial Capacity Evaluation Team made inquiries on the review of the financial statements by the Authority's Financial Advisor in order to participate fully in the Financial Capacity Evaluation while respecting the confidentiality of Respondents' financial information. The Financial Capacity Evaluation Team conducted its consensus evaluation on April 20, 2018. During this session, two (2) clarification questions were determined to be required for one (1) Respondent. The Respondent provided its clarification response to the Authority and was confirmed by the Financial Capacity Evaluation Team to meet the requirements. Subsequently, one (1) additional requirement for clarification was identified by the Financial Capacity Evaluation Team and issued to the Respondent. The Respondent provided its clarification response to the Authority. All Responses were determined to meet the Minimum Requirement of Sufficient Financial Capacity as set out in the RFQ (section 2.1).

The Evaluation Committee technical consensus evaluation was held on April 25, 2018. The results of the Financial Capacity Evaluation were presented to the Evaluation Committee at the technical consensus meeting for final consensus.

A record of each of the consensus meetings was maintained by the members of the Financial Capacity Evaluation Team and the members of the Evaluation Committee respectively.

Both of the two (2) Responses were determined to be eligible to proceed to the Recommendation for Short listing.

Observations

The Fairness Advisor was available to answer questions of the Financial Capacity Evaluation Team and the Evaluation Committee during the individual review stage, the progress meeting and the consensus meetings.

The Fairness Advisor oversaw the evaluation consensus process and attended and oversaw all consensus meetings for the Financial Capacity Evaluation Team and the Evaluation Committee.

All evaluators were prepared for their respective consensus meetings, having completed individual evaluations of the Responses.

All clarification questions and responses, together with the disposition of these responses by the Evaluation Team and Evaluation Committee were reviewed by the Fairness Advisor.

The Fairness Advisor reviewed the results of the individual and consensus evaluations and verified the consensus record of scoring.

The Fairness Advisor confirmed that the evaluation was undertaken in a manner consistent with the evaluation procedures and criteria outlined in the RFQ and Evaluation Manual and that the results were arrived at by consensus of all Evaluation Committee members.

No fairness concerns were observed.

4.7 Recommendations for Short listing

At the conclusion of the evaluation process, the Evaluation Committee recommended the following two (2) Respondents for the shortlisting of Project Proponents eligible to receive the RFP:

- Atlantic Healthcare Partnership
- Corner Brook Healthcare Partnership

Observations

The Fairness Advisor reviewed the Evaluation Committee's recommendations and confirmed they are in concordance with the evaluation results. No fairness concerns were observed.

4.8 Current Status

The process and outcomes of the RFQ evaluation will be presented to the Steering Committee for review and determination on whether to recommend to Cabinet the issuance of the RFP to the Project Proponents.

The Fairness Advisor remains engaged to oversee the finalization of the RFP and Financial Close process, as appropriate, together with notifications and debriefings to the unsuccessful Proponent. A Final Fairness Advisor's Opinion Report will be delivered at the conclusion of these activities.

5. Opinion of Assurance

The Fairness Advisor hereby provides the following unqualified assurance statement concerning the Government of Newfoundland and Labrador's Corner Brook Acute Care Hospital Project RFQ process (RFQ#10915) as described herein:

It is our professional opinion that the process was carried out in a fair, open and transparent manner. The Authority acted in a transparent manner at all stages, and concluded the process with the utmost integrity.



Steve Johnston
Managing Director
RFP Solutions Inc.

April 26, 2018

Date