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Government of Newfoundland and Labrador's

**REQUEST FOR PROPOSALS (RFP)
for**

**GANDER AND GRAND FALLS – WINDSOR LONG TERM CARE
PROJECT**

Project# 381615002

Fairness Advisor's Final Report

Submission Date:
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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 two (2) Central Health and Long Term Care facilities (Gander and Grand Falls – Windsor). 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 final Fairness Report related to the RFP stage for the Central Long Term Care facilities procurement process for the Government of Newfoundland and Labrador and the Central Regional Health Authority (collectively, the “Authority”).

This report covers the activities of the Fairness Advisor, from the conclusion of the Request for Qualifications (RFQ #381615002) and the announcement on July 3, 2018 of the short-listing of three (3) Proponents as qualified to participate in the second stage Request for Proposals (RFP) process, followed by the release of the RFP on July 27, 2018, through to the Authority’s receipt of Submissions completion of the evaluation and ranking of the written Submissions received from Proponents in response to the RFP, and the conduct of due diligence clarifications by the Authority; resulting in the identification of the highest ranked Proponent to be recommended to the Authority’s Steering Committee, followed by the Provincial Cabinet’s approval to proceed with Financial Close, including execution of the Project Agreement, to notification of Proponents through to Financial Close and debriefing of the unsuccessful Proponent.

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 stage, and our opinion of assurance on the process conducted to date.

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

2. Central Long Term Care Facilities - Project Requirements

The Authority is planning to build two (2) new Long Term Care facilities in the towns of Gander and Grand Falls-Windsor, identified as the Central Long Term Care Project (the “Project”). Each of the new facilities is expected to consist of 60 long-term care beds, with the Gander facility to be designed and constructed with the potential for future expansion of approximately 100 additional beds.

Long term care facilities provide residential care and accommodations to individuals with high care needs who require on-site professional nursing services (Level III or Level IV clients). Not unlike other jurisdictions, the Province’s aging population is increasing demand for long term care beds. Increasing the long term care bed capacity in Central Newfoundland will not only help to alleviate some of the current challenges experienced by individuals in securing a long term care bed placement, but will also address some of the pressures on the acute care system.

3. Fairness Advisor's Activities and Observations

RFP Solutions Inc. provided Fairness Advisor activities for the Project including:

- Review of the conclusion of the RFQ process and notification of Proponents and RFQ Respondents;
- Review of the RFP solicitation documents including addenda and responses to Proponent inquiries;
- Review and provision of comments on the evaluation materials and process, including structure, role, confidentiality and conflict of interest, document safe-guarding, and provision of instructions to the Evaluation participants with respect to fairness and alignment to RFP documents;
- Verification of Submissions received and conduct of Administrative and Mandatory Requirement review;
- Oversight of the evaluation of Submissions and attendance at the Evaluation Team and Evaluation Committee meetings, including consensus, and providing review and comment on clarification questions to Proponents and responses with respect to fairness and alignment to the RFP requirements;
- Review of the final evaluation results for the RFP that identified the highest ranked Proponent to be recommended, subject to approval by the Provincial Cabinet, as the Preferred Proponent eligible to enter into the process for Agreement finalization and Financial Close; and
- Monitor Financial Close, Notifications and Debriefings, as required.

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 RFP 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 RFP, Questions and Answers, and Addenda, attended the evaluation of Submissions leading to the identification of the highest ranked Proponent by the Authority), identifying any fairness-related matters to the Project Lead and reviewing that responses and actions of the Authority were reasonable and appropriate.

4.1 Proponent Notifications

At the conclusion of the first stage RFQ process, the following three (3) Respondents were determined to be the three (3) pre-qualified Proponents eligible to participate in any second stage RFP:

- Central Care Partnership (CCP);
- Infraworks; and
- Newfoundland and Labrador Healthcare Partners (NLHP).

Following the conclusion of the RFQ process the Province's Cabinet determined to proceed with the second stage RFP process to the three (3) pre-qualified Proponents identified at the conclusion of the RFQ stage.

The Authority prepared notifications to the three (3) pre-qualified Proponents and the one (1) unsuccessful RFQ Respondent.

Activities and Observations

The Fairness Advisor reviewed each of the notifications to ensure the equity of information provided to each of the pre-qualified Proponents and the unsuccessful Respondent prior to their issuance by the Authority. No fairness issues were identified.

The unsuccessful Respondent was provided the opportunity to request a debriefing on the results of its RFQ Submission evaluation, which was initially scheduled for August 2, 2018.

The Fairness Advisor made inquiries of the Authority on its debriefing protocols and reviewed the Authority's preparations for the debriefing. No fairness concerns were observed.

4.2 RFP Development

The second stage RFP was developed by the Authority and its partner (Central Regional Health Authority – CRHA), supported by the Authority's Procurement/Financial and Legal Advisors. In the development of the solicitation documents, the necessity to ensure fair access to this opportunity was affirmed by all participants.

Activities and Observations

The development of the solicitation was undertaken in a fair, open and transparent manner. The Fairness Advisor had the opportunity to fully review and comment on all documentation, including the RFP, evaluation criteria and process, draft Project Agreement and associated Attachments and Exhibits, prior to the release of the RFP to the pre-qualified Proponents.

During this period, the Fairness Advisor provided comments related to the overall fairness of the procurement documents and process design, which were addressed by the Authority throughout this stage. The Fairness Advisor observed no fairness issues.

4.3 Solicitation Period

RFP Issuance

The RFP document (main body, Appendix A containing the evaluation criteria and Appendix B containing the Submission Requirements) was issued to the three (3) pre-qualified Proponents

by e-mail on July 27, 2018. The RFP had an initial closing date and time for Technical Submissions of November 23, 2018 at 3:00pm Newfoundland Time and an initial closing date and time for Financial Submissions of December 7, 2018 at 3:00pm Newfoundland Time. Proponents also had the opportunity to submit Initial Interest Rate Setting Submissions (IRSS) at their election by October 25, 2018, and were required to submit a Final IRSS on November 29, 2018 (each by 3:00pm Newfoundland Time).

The Authority also prepared a secure electronic Data Room (Firmex) to enable subsequent access by Proponents to the RFP as well as its associated attachments and forms, and any additional Project information that would be released throughout the solicitation period.

Activities and Observations

The Province was very forthcoming with information and the Fairness Advisor was provided with full access to the Firmex Data Room and process documentation. No fairness concerns were observed.

Pre-Qualified Proponent Withdrawal and Invitation to Participate issued to Fourth Ranked RFQ Respondent

On August 2, 2018, the Authority received preliminary notification (by telephone) from one (1) of the pre-qualified Proponents of its intent to withdraw from the RFP process.

While the RFP had been issued, as the Proponents' Data Room had not yet been opened and additional materials had not been released to the Proponents, following consultation with its Legal Advisor and the Fairness Advisor, the Authority determined that when formal confirmation of this Proponent's intent to withdraw was received, the Authority would extend an invitation to the fourth (4th) ranked Respondent to RFQ #381615002 (Atlantic Healthcare Alliance (AHA)) to participate as a pre-qualified Proponent in the subject RFP.

As the Authority had initially scheduled a debriefing with AHA in the afternoon of August 2, 2018, the Authority met with AHA to convey that a debriefing could not be conducted at that time, in consideration of the potential opportunity to participate in the RFP process, pending the official written withdrawal of another Proponent. The Authority received official written withdrawal from Inframworks, and provided written invitation to AHA on Aug. 6, 2018 to participate in the RFP process and provided a copy of the RFP document to AHA.

The Authority issued Addendum #1 to the RFP including an updated list of the participating pre-qualified Proponents and a postponement of the planned All Proponents Introductory Meeting and Site Tours via the now opened Proponents' Data Room (containing the RFP and Appendices A and B) on August 7, 2018.

The All Proponents Introductory Meeting and Site Tours were conducted on August 21, 2018 and were attended by representatives of each of the three (3) pre-qualified Proponents.

Activities and Observations

The Fairness Advisor was consulted by the Authority on the matter of the intended withdrawal of the pre-qualified Proponent and the Authority's intention to invite the fourth (4th) ranked RFQ Respondent to participate in the RFP process. The Authority thoroughly reviewed considerations around:

- timing of the pre-qualified Proponent's withdrawal from the RFP process in the RFP Timetable and ensuring an official notification of withdrawal would be received prior to taking any definitive action;
- the elapsed time between the initial issuance of the RFP (July 27, 2018) and the

intended notification to (August 2, 2018) and issuance of an official invitation (August 7, 2018) to the fourth (4th) ranked RFQ Respondent;

- the date of the release of the RFP and Appendices A and B to each pre-qualified Proponent and the nature of the documents' contents being similar in content to other previously issued RFPs for similar Long Term Care facilities in Canada);
- the timing of the pending release of additional RFP documentation and opening of the Data Room pending receipt of completed Non Disclosure Agreements (NDA) from Proponents;
- the timing of the upcoming All Proponents Introductory Meeting and Proponents Site Tours and CCMs;
- the scheduling of the first of the series of Confidential Collaborative Meetings (CCMs) (September 11-13, 2018) - which was determined by the Authority to provide adequate time for all Proponents to prepare and was maintained as set out in the initially issued RFP; and
- the determination not to deliver the scheduled debriefing on the RFQ outcomes;

to support ensuring the opportunity for each and all Proponents to participate fully and fairly within the RFP process in consideration of the timing and pending occurrence of these events. The Authority also remained open to the potential to receive inquiries and to extend the RFP solicitation period to provide equality of opportunity to each and all Proponents.

The Fairness Advisor attended the August 2, 2018 meeting between the Authority and AHA by teleconference. The Fairness Advisor was kept informed by the Authority of the receipt of written notification from the withdrawing Proponent and reviewed the notification received, together with the invitation issued to AHA, release of Addendum #1 and issuance of documentation to all Proponents via the Data Room.

In consideration of the timing of the withdrawal of the other Proponent, the 4th ranked RFQ Respondent (now a Proponent) was provided with timely notification of the potential opportunity to participate in the RFP process and timely access to the issued RFP documentation and was provided the opportunity to submit inquiries or a request for extension at its discretion, as were all Proponents.

Each Proponent received access to the Data Room in a timely and equitable manner following the conclusion of NDAs.

The All Proponents Introductory Meeting and Site Tours were postponed for all Proponents by one (1) week (originally scheduled for August 14, 2018 and conducted on August 21, 2018) to enable all Proponents to participate.

The Authority acted reasonably in consideration of all Proponents and in a timely manner. No fairness concerns were observed.

Subsequent withdrawal of one (1) pre-qualified Proponent

On October 5, 2018, the Authority received written notification from one (1) of the pre-qualified Proponents (CCP) of its withdrawal from the RFP process. The Authority determined to continue the procurement process with the remaining two (2) pre-qualified Proponents (AHA and NLHP) and provided verbal notification to these Proponents of the withdrawal of CCP at each of the Proponents' respective Technical CCM #2 meetings, as well as issued an Addendum to the RFP to update the list of participating pre-qualified Proponents.

Activities and Observations

The Fairness Advisor was kept informed by the Authority of the withdrawal of the pre-qualified

Proponent, made inquiries of the Authority, and reviewed the notification received by the Authority. The Fairness Advisor was consulted by the Authority on the method of notifying the two (2) remaining pre-qualified Proponents. No fairness concerns were observed.

Confidential Collaborative Meetings (CCMs)

As set out in the RFP, a series of three (3) CCMs per Proponent were initially scheduled, including two (2) Technical CCMs and one (1) Legal CCM. Subsequently, an additional Technical CCM was scheduled for all Proponents by the Authority as part of the RFP Timetable.

Technical CCM #1 Held at the Authority's facilities in St. John's, Newfoundland – September 11-13*, 2018;

*Note: CCM #1 was conducted with all three (3) Proponents.

As noted above, subsequently, one (1) Proponent withdrew from the process. As a result, remaining CCMs were conducted with the two (2) remaining pre-qualified Proponents.

Technical CCM #2 Held at the Authority's facilities in St. John's, Newfoundland – October 10 and October 12, 2018**;

**Note: CCM #2 was initially scheduled with each of the three (3) Proponents, with one day allocated per Proponent. CCM #2 was conducted as scheduled for the two (2) remaining Proponents.

Legal CCM Held at the facilities of the Authority's external Legal Advisor in Toronto, Ontario – October 16-17, 2018; and

Technical CCM #3 Held at the Authority's facilities in St. John's, Newfoundland – November 14-15, 2018.

Following the conduct of the scheduled CCMs as set out in the RFP Timetable, an additional ad hoc CCM was made available by the Authority to both (2) Proponents to provide both Proponents the opportunity to identify any issues or impacts associated with a change to the RFP requirements to be issued by the Authority in a pending Addendum #9 (see more below). The ad hoc CCM was conducted for each Proponent on January 14, 2019 by webinar / tele-conference.

Activities and Observations

Prior to the conduct of the CCMs the Fairness Advisor was invited by the Authority to provide guidance on the CCM protocols. The Authority affirmed and agreed: that no Authority information was to be shared unevenly across Proponent teams; that no proposed solutions would be “pre-evaluated” or direction given to any one Proponent; to refrain from providing definitive responses during the sessions by requesting Proponents to make use of the RFI process set out in the RFP in order to obtain responses on which the Proponents could rely, and to maintain the confidentiality of all aspects of each Proponents’ meetings and questions raised from all other Proponents.

Prior to each CCM, the Fairness Advisor had the opportunity to review the CCM Agenda submitted by each Proponent to confirm that each Proponent received the same amount of time for each session, that topics were within the scope of the defined meeting and the RFP, and that all Proponents were provided with a consistent process. The Fairness Advisor also had the opportunity to review the session materials (e.g. design materials) submitted by each Proponent for the CCMs.

The Fairness Advisor attended and oversaw all aspects of each of the CCMs and provided fairness comments to the Authority and Proponents as appropriate during the sessions. All Proponents received the same amount of time and were subject to the same rules of procedure. No fairness concerns were observed.

Proponent Inquiries Process

During the solicitation period, Proponents were provided the opportunity to submit inquiries (Requests for Information – RFIs) to the Authority, using the RFI form contained within the published RFP document.

In accordance with the RFP, Proponents were able to classify their inquiries as 'general' with the understanding that questions and responses provided by the Authority would be issued equally to all Proponents, or as 'confidential'. For inquiries marked 'confidential' by Proponents, as set out in the RFP, the Authority reviewed each inquiry to determine whether it contained proprietary information or confidential information particular to a Proponent's approach or design and would be responded to in writing directly to the asking Proponent, or whether the question was of a more general nature and the response to which would be equally provided to all Proponents. For all such 'confidential' questions that the Authority identified as being 'general' in nature, the asking Proponent was provided the opportunity to re-classify its question as 'general' or to withdraw the question prior to the Authority making any response.

During the Solicitation period, the Authority responded to 236 General RFIs via Response to Inquiries documents issued to all Proponents via the Data Room, and 20 Commercial in Confidence RFIs submitted by the remaining two (2) pre-qualified Proponents and issued to each respective Proponent via their secure Proponent-specific space within the Data Room.

Activities and Observations

The Fairness Advisor reviewed all RFIs submitted by Proponents and was consulted by the Authority in its review and determination on inquiries submitted as 'confidential'. The Fairness Advisor also reviewed all responses drafted by the Authority prior to their release to Proponents via the RFP Data Room. The Fairness Advisor provided comments that were duly considered and incorporated by the Authority, and no fairness concerns were identified.

Changes to Proponent Team Members requested following RFP issuance

During the Solicitation period, as set out in the first stage RFQ and second stage RFP, Proponents wishing to make changes to Proponent Team Members or Key Individuals were required to submit a request for the Authority's consideration, detailing the reason for the proposed change and providing the Authority with information on the qualifications of the proposed replacement commensurate with the information originally provided by Proponents in their Submission in response to the first stage RFQ requirements. During the Solicitation period, the Authority received four (4) such requests from one (1) Proponent; one (1) requesting a change to Key Individual, and the remainder requesting a change to the structure of the Proponent's Team Members.

Activities and Observations

The Fairness Advisor was consulted by the Authority and reviewed each proposed change/replacement, together with the supporting documentation provided by the Proponent. The Fairness Advisor also monitored the Authority's review and determinations of each requested change. In each instance, the Authority first reviewed whether the reason for the requested change was reasonable, and where it was determined to be reasonable, conducted an assessment of the proposed replacement or change against the requirements as established

in the first stage RFQ; to determine whether the proposed change would be acceptable to the Authority. Where a change was determined to be acceptable, the Authority then reviewed to identify whether there would be any impact to the status of the Proponent as a pre-qualified Proponent.

For the proposed change to a Key Individual, the Authority determined the proposed replacement Key Individual met the qualification requirements as set out in the RFQ and did not impact the status of the Proponent as a pre-qualified Proponent. The Fairness Advisor monitored the original RFQ evaluation team's consideration of this requested change and had no fairness concerns.

In review of the Proponent's request to make a change to its Team Member structure, the structure of the change and the Financial Capacity of the entity was first reviewed by the Authority's Procurement/Financial Advisor, in accordance with the process and requirements established in the first stage RFQ. This information was shared with the Fairness Advisor. The Authority then reviewed and determined that the changes were acceptable and did not impact the status of the Proponent as a pre-qualified Proponent. The Fairness Advisor monitored these deliberations and had no fairness concerns.

Addenda Process

During the solicitation period, the Authority issued nine (9) Addenda to the RFP between the period of August 7, 2018 and January 15, 2019.

The Addenda contained revisions to the PA and RFP requirements, together with extensions to the RFP closing date(s) and time(s) for all Submission components; resulting in the following Submission Dates:

- Initial IRSS (at the Proponents' election): November 29, 2018;
- Technical Submission: January 17, 2019;
- Final IRSS: January 24, 2019; and
- Financial Submission: January 31, 2019;

With all Submissions due at 3:00pm Newfoundland Time on the applicable date.

Activities and Observations

The Authority consulted with the Fairness Advisor on its approach to changes to the RFP requirements arising as a result of available information on site conditions, changes to clinical programming requirements, and matters arising as a result of Proponent inquiries.

This included consultation on the process for the Authority to consult with Proponents via an ad hoc CCM (held January 14, 2019) on the contents of Addendum #9. Addendum #9 added an option for the Authority to implement a Ceiling Lift System Adjustment at the Authority's determination prior to Financial Close and provided a means for Proponents to identify associated costs within their Financial Submissions (due January 31, 2019) to provide for an evaluated adjustment to the net present cost proposed; with a view to mitigate any impact to Proponents' Technical Submissions (to be submitted January 17, 2019).

The Fairness Advisor reviewed all addenda prior to their issuance by the Authority. Overall, no fairness concerns were identified during the solicitation period, and there were no fairness concerns with respect to the Addenda.

4.4 Evaluation Preparation and RFP Closing

In preparation for the closing of the RFP, the Authority prepared evaluation workbooks, an evaluation manual and orientation training for the members of the Evaluation Teams. Evaluation orientation training was conducted on January 16, 2019.

The Authority prepared a Non-Disclosure Agreement and Conflict of Interest undertaking that all members of the Evaluation and other participants present during the evaluation process were required to complete prior to their participation in the evaluation process.

The Authority also confirmed the participants in the evaluation process, which was structured as follows:

- Three (3) Evaluation Teams, each comprised of representatives of the Province and CRHA with expertise in their respective evaluation areas. One team was responsible for each of the following areas:
 - Design-Build Technical Evaluation;
 - Facilities Maintenance Services Technical Evaluation;
 - Financial Capacity and Price Financial Evaluation.
- An Evaluation Committee, comprised of representatives of the Province and CRHA; who were mandated to conduct a consensus review and determination, taking into consideration the input of the three (3) Evaluation Teams.

The Evaluation Teams and Evaluation Committee were assisted by the Authority's Procurement/Financial Advisor mandated to support the receipt and distribution of Submissions and coordination of the evaluation process, together with the provision of subject matter expertise to the Financial Evaluation Team to provide review and analysis of the Financial Submissions for capacity and calculation of the net present cost and any adjustments thereto in accordance with the RFP.

In addition, the participants in the evaluation process were supported by an independent Relationship Review Committee, charged with reviewing the conflict of interest and confidentiality undertakings of all evaluation participants.

At each of the Closing Dates for the Submission components, Submissions were received from each of the two (2) pre-qualified Proponents (AHA and NLHP) as follows:

- Two (2) Initial IRSS Submissions were received by the required date and time for these Submissions;
- Two (2) Technical Submissions were received by the required date and time for Technical Submissions;
- Two (2) Final IRSS Submissions were received by the required date and time for these Submissions; and
- Two (2) Financial Submissions were received by the required date and time for these Submissions. Financial Submissions remained sealed and were distributed unopened to the Authority's Procurement/Financial Advisor to conduct Financial Capacity analysis at a secure location off-site and segregated from the Authority's facilities.

Activities and Observations

The Fairness Advisor was consulted on the structure of the evaluation process, and provided comments that were duly considered and incorporated by the Authority. The Fairness Advisor reviewed the evaluation workbooks, manual and training to confirm they were in conformance to the RFP and no fairness issues were identified. The Fairness Advisor attended the evaluation

orientation training.

The Fairness Advisor was provided the opportunity to review the Non-Disclosure Agreement and Conflict of Interest undertaking.

The Fairness Advisor provided assurance as to the objectivity of evaluation criteria and process; and provided guidance on the principles of fairness, to mitigate the potential for inconsistency or errors in the eventual application of evaluation criteria by the Evaluation participants.

At each of the Closing Dates for the Submission components, the Fairness Advisor verified with the Province that Submissions were received on time from Proponents. No fairness concerns were observed.

4.5 Opening of Technical Submissions, Administrative Review and Distribution of Technical Submissions

All Proponent Submissions were received in both hard and electronic copy by the Authority. The Authority's Procurement/Financial Advisor uploaded a copy of each of the Submissions to each of the Evaluation participants' respective secure spaces in the Project Team's Data Room. In addition, the Authority established procedures for secure check-in / check-out and handling of hard copy submissions at its facilities.

The Technical Submission envelopes were opened by the Authority following the Closing date and time for Technical Submissions.

A review of administrative mandatory requirements was undertaken of the two (2) Technical Submissions received on January 17, 2019. Both Technical Submissions were deemed to be responsive to these requirements as stated in the RFP and therefore eligible to proceed to technical evaluation.

The Authority confirmed the identities of the Proponent Team Members and Key Individuals to verify there were no changes from the Proponents' previously submitted structure, Team Members and Key Individuals (as submitted in response to the RFQ and as changed by any authorized changes as permitted by the Authority in response to Proponent inquiries during the course of the solicitation period). The Authority then implemented the Relationship Review process, requiring each member of the Evaluation process to review and identify any existing or previous relationships with any of the submitting Proponents, identified Team members, or Key individuals named in the Submissions to verify there were no conflict of interest concerns. This information was reviewed by the Province's Relationship Review Committee, and reviewed by the Fairness Advisor.

Following the completion of the Relationship Review process, copies of the Technical Submissions were provided to the members of the Evaluation Teams, to begin their individual reviews and assessments on the basis of the Rated Criteria of the RFP. The Authority consulted with the Fairness Advisor on its process for handling, shipment and storage of the Submissions and associated records.

Activities and Observations

The Submission Opening was conducted in accordance with the RFP and Evaluation Manual, and no fairness issues were observed.

The Fairness Advisor reviewed the results of the administrative mandatory requirement review to assess them against the requirements in the RFP. Based on the Fairness Advisor's review of

the assessment of Proponents' compliance with the administrative mandatory requirements, the Fairness Advisor observed no fairness concerns.

The Fairness Advisor reviewed the Relationship Review statements of the Evaluation participants together with the Province's determinations. The Province was very forthcoming with information, and no fairness issues were identified.

The Fairness Advisor made inquiries of the Authority and verified the procedures for safeguarding Proponent Submission contents in both hard and electronic copy and ensuring security of access by those authorized Evaluation participants to the respective components, in order to maintain separation of Technical and Financial information. No fairness concerns were observed.

4.6 Technical Submission Evaluation

As noted above, the technical evaluation was conducted by two (2) Evaluation Teams, each responsible for the following areas:

- Design-Build Technical Evaluation; and
- Facilities Maintenance Services Technical Evaluation.

The Evaluation Teams included representatives from the Government of Newfoundland and Labrador, the Central Regional Health Authority.

Each of the Evaluation Teams was mandated with conducting independent evaluations, followed by team consensus evaluations for their assigned sections of the RFP evaluation criteria.

The Evaluation participants had access to the Province's Legal Advisor and the Fairness Advisor as required during the conduct of the evaluation.

For each of the Evaluation Teams, the members completed individual evaluations between January 18th to February 5th, 2018. Each of the Design-Build and Facilities Maintenance Services Evaluation Teams held two sets of meetings held during this time to bring forward any questions for clarification. The first series of meetings, held separately for each of the Design-Build and Facilities Maintenance Services Evaluation Teams was on January 25, 2019, and the second series of meetings was held on February 1, 2019. Clarification questions were identified as potentially being required to be asked of Proponents to support the consensus determinations. The clarification questions were developed by the Authority and responses reviewed in the finalization of the consensus determinations for each Team (see below).

Technical Consensus evaluations were held on February 5-6, 2019 for the Design Build Team, February 7, 2019 for the Facilities Maintenance Services Team to determine the results of each of the Team evaluations for presentation to the Evaluation Committee.

During the February 5-6, 2019 Design Build Team's Consensus meeting the team confirmed they had reviewed and scored the Submissions individually, and were thorough, balanced and consistent in the review of the Submissions. During the consensus session, the Team identified the need to ask for a clarification for one (1) Submission to clarify what was put forward in the Submission, which were confirmed by the Proponent. The Design Build Team reviewed the Proponents' responses prior to concluding their consensus determinations.

During the February 7, 2019 Facilities Maintenance Services Team's Consensus meeting the team confirmed they had reviewed and scored the Submissions individually, and were thorough, balanced and consistent in the review of the Submissions. Prior to convening for consensus, the Team identified the need to ask four (4) clarifying questions for one (1) Submission to clarify what was put forward in the Submission, which were confirmed by the Proponent. The Facilities Maintenance Services Team reviewed the Proponents' responses prior to concluding their consensus determinations

Activities and Observations

The Fairness Advisor was available to answer questions of the Evaluation Teams during the individual review stage, the initial two sets of meetings of the Evaluation Team members and the consensus meetings.

All clarification questions were reviewed by the Fairness Advisor prior to their issuance to the Proponents and the responses were reviewed by the Fairness Advisor.

The Fairness Advisor oversaw the technical evaluation consensus process and attended and oversaw all consensus meetings for the Design-Build and Facilities Maintenance Evaluation Teams.

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

The Fairness Advisor confirmed that the evaluation was undertaken in a manner consistent with the evaluation procedures and criteria contained within the RFP and that the results were arrived at by consensus of all members of the respective Evaluation Teams.

No fairness concerns were observed.

4.7 Final IRSS, Financial Submission Receipt and Analysis

Final IRSS Submissions were received on January 24, 2019 and reviewed by the Authority's Procurement/Financial Advisor. As a result of this review, it was determined that clarification was required on one (1) of the Final IRSS Submissions, which was clarified by the Proponent.

Financial Submissions were received on January 31, 2019. An administrative review of the Financial Submissions was conducted on January 31, 2019, and as a result, both (2) Financial Submissions were determined to meet the requirements and be eligible for further evaluation.

Financial Submissions were initially reviewed by the Authority's Procurement/Financial Advisor, to support the analysis and calculation of Financial Capacity of each Proponent and proposed Financial Model. This review was undertaken in a secure location of the Procurement/Financial Advisor and segregated from the Authority's personnel and the technical evaluation process.

The Financial Capacity Evaluation Team was comprised of representatives from the Government of Newfoundland and Labrador and the Authority's Procurement/Financial Advisor (Ernst and Young).

The Evaluation Team was mandated with conducting independent evaluations, followed by team consensus evaluations for their assigned sections of the RFP evaluation criteria.

The Evaluation participants had access to the Province's Legal Advisor and the Fairness Advisor as required during the conduct of the evaluation.

For the Financial Capacity Evaluation Team, the members completed individual evaluations

between February 1 and February 8, 2019. Consensus evaluation was held on February 8, 2019 to determine the results of the Team evaluations of Financial Capacity for presentation to the Evaluation Committee for final consensus.

During the February 8, 2019 Financial Capacity Team's Consensus meeting the team confirmed they had reviewed the Submissions individually, and were thorough, balanced and consistent in the review of the Submissions. The review of financial statements informing the Financial Capacity Team's consensus was conducted by two (2) representatives from Ernst and Young, subject to Non Disclosure Agreements. The Evaluation Team reaffirmed the confidentiality measures in place for confidential financial statements were respected. The GNL representative on the Financial Capacity Team made inquiries on the review of the financial statements to participate fully in the Financial Capacity Evaluation.

During the consensus session, the Team identified the need to ask for a clarification for one (1) Submission to clarify what was put forward in the Submission, which were responded to by the Proponent on February 12, 2019.

Activities and Observations

The Fairness Advisor confirmed the receipt of the Final IRSS Submissions and was consulted on the process for issuing and receiving responses to the required clarification in order to maintain the separation of financial information from the Authority, and reviewed the clarification prior to its issuance to the Proponent. The Fairness Advisor reviewed the response received. No fairness concerns were identified.

The Fairness Advisor reviewed the results of the administrative mandatory requirement review of the Financial Submissions to assess them against the requirements in the RFP. Based on the Fairness Advisor's review of the assessment of Proponents' compliance with the administrative mandatory requirements, the Fairness Advisor observed no fairness concerns.

The Fairness Advisor was available to answer questions of the Evaluation Team during the individual review stage and the consensus meeting.

All clarification questions and responses were reviewed by the Fairness Advisor.

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

The Fairness Advisor reviewed the results of the consensus evaluations of Financial Capacity and verified the record of scoring and rationales.

The Fairness Advisor confirmed that the evaluation was undertaken in a manner consistent with the evaluation procedures and criteria contained within the RFP and that the results were arrived at by consensus of all members of the Evaluation Team.

No fairness concerns were observed.

4.8 Net Present Cost Calculation

Following the completion of the evaluation of Financial Capacity, the Financial Evaluation Team then conducted the calculations of the Net Present Cost of each Submission, the Adjusted Net Present Cost calculated as a result of the impact of the Energy Model and the XY Ceiling Lift option on the Proponents' Submissions.

Activities and Observations

The Fairness Advisor monitored the review of the Net Present Cost calculations with the Financial Evaluation Team and made inquiries to assure itself that the process had been conducted in accordance with the RFP. No fairness concerns were observed.

4.9 Evaluation Committee Review and Overall Ranking

The results of the Design-Build and Facilities Maintenance Teams' Consensus meetings and the results of the Financial Capacity Team Consensus (including review of clarifications received, as noted above) were brought forward to the Evaluation Committee for review and commencement of consensus of the entire technical evaluation process on February 12, 2019.

Each Evaluation Committee member had completed an independent review of each Submission prior to the Evaluation Committee meeting.

Each Evaluation Team's outcomes and associated comments were presented in sequence (one Evaluation Team at a time), and each Proponent's Submission was reviewed in sequence (one Submission at a time).

The Technical Submissions and scoring were reviewed first, prior to review of Proponents' Financial Capacity and finally Financial Submissions.

Review of Technical Submissions

During the review of each Proponent's Technical Submission, the members of the Evaluation Committee made inquiries of the Evaluation Teams and provided their assessments of the Technical Submissions against the evaluation criteria. Both Technical Submissions were determined to have met the minimum scores required on each of the Technical Submission sections and overall for the Technical Submission in order to be considered further.

During the review of the Technical Submissions, the Evaluation Committee requested the Design-Build Team to provide further commentary relating to facility function for each of the two (2) Submissions, to confirm that any Submission to be considered for recommendation would fully achieve the Project requirements as stated in the RFP. As part of this review, the Design-Build Team reviewed facility function related to Evaluation Criteria 3.3.2, 3.3.3 and 3.3.4.

To support this review, the Design-Build Team determined a follow-up clarification was necessary for one (1) Submission. The Design-Build Team met on February 22, 2019 to review any questions on the clarification response received from the Proponent and to review each of the two (2) Submissions to bring forward further commentary. Following the review by the Design-Build Team, the Evaluation Committee was re-convened on February 26, 2019 to discuss its findings and arrived at a final determination on the consensus scoring for Evaluation Criteria 3.3.2, 3.3.3, and 3.3.4. As a result of this review, the scores for both Submissions were adjusted as appropriate.

Review of Financial Submissions

At the Evaluation Committee's initial meeting on February 12, 2019, following the confirmation that each Proponent had achieved the minimum required scores on the Technical Evaluation, the Financial Submissions were reviewed.

During the review of each Proponent's Financial Capacity, the members of the Evaluation Committee made inquiries of the Financial Capacity Evaluation Team and came to consensus for each Submission.

During this review, the Authority determined a follow-up legal clarification was necessary on the Proponent structure for one (1) Submission. This was issued and responded to by the Proponent on February 13, 2019 and was reviewed by the Financial Capacity Team. Based on the response, the Authority identified the requirement to request additional financial statements for review. As the clarification pertained to confidential financial statements, the response was requested to be provided directly to the Authority's Procurement/Financial Advisor. Clarification was requested on February 15, 2019 and received from the Proponent on February 19, 2019.

The Authority's Procurement/Financial Advisor conducted its analysis of the financial statements and affirmed its previous assessment of the Submission. The results of this review were presented to and affirmed by the Evaluation Committee.

Both Proponents were determined to have met the Financial Capacity requirements in order to be considered further.

Following the completion of the initial review of the Technical Written Proposals and Financial Capacity, the results of the Net Present Cost calculations were reviewed and the Financial Evaluation was conducted to determine the point score calculations for each Submission in accordance with the method set out in the RFP.

Final Consensus, Calculation of Total Scores and Proponent Ranking

At the conclusion of the evaluation, review of the outcomes of the Design-Build Team's commentary on facility function, and review of the Financial Capacity Team's assessment of Proponent clarifications, the Evaluation Committee confirmed the consensus scores for each Proponent on February 26, 2019.

Following the confirmation of consensus scores, the weighted scores for each Submission were calculated and tallied to arrive at the overall Total Score for each Submission as set out in the RFP.

At the conclusion of the evaluation process, based on the Total Scores achieved by each Submission, the Evaluation Committee identified Newfoundland and Labrador Healthcare Partners (NLHP) as the highest ranked Proponent to be recommended to the Steering Committee for entry into Agreement finalization and Financial Close activities.

Activities and Observations

The Fairness Advisor oversaw the conduct of the Evaluation Team presentations and Evaluation Committee meeting discussions and determinations.

The Fairness Advisor was consulted on the decision to review the Financial Submissions at the conclusion of the initial Evaluation Committee meeting on February 12, 2019, notwithstanding the functional review to be completed by the Design-Build Evaluation Team and clarifications required of Proponents to finalize the consensus score outcomes. As both Submissions were determined to have met the minimum required scores on the Technical Submission and as the Design-Build Evaluation Team review consisted of a focused review of Evaluation Criteria 3.3.2, 3.3.3 and 3.3.4 with clearly understood potential impact to the initial scores assessed on these criteria, the review of the Financial Submissions by the Evaluation Committee at this stage was determined not to have the potential to unfairly impact the review of these Evaluation Criteria and associated consensus outcomes.

The Fairness Advisor was consulted on and reviewed the clarifications prior to their issuance to Proponents. The Fairness Advisor reviewed the Proponent's responses to the clarifications and oversaw the meetings of the Design-Build Team and the determination on the clarification

responses by the Financial Capacity Team. The Fairness Monitor oversaw the Evaluation Committee's final review and consensus. No fairness concerns were observed.

The deliberations and determinations of the Evaluation Teams and Evaluation Committee were consistent with the criteria as published in the RFP, and undertaken in a fair and consistent manner.

The Fairness Advisor oversaw the conduct of the Financial Evaluation, together with the weighting of the Technical and Financial scores to affirm their conformance to the weightings and formulae published in the RFP. No fairness concerns were identified.

Following the conclusion of the Evaluation Committee's meetings, the Fairness Advisor was provided the opportunity to review the consolidated Evaluation outcomes. The recorded outcomes were an accurate record of the consensus decisions of the Evaluation Committee.

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

4.10 Financial close, Notifications and Debriefings

Upon receipt of approval from Cabinet to proceed with negotiations, the Province commenced the process to notify Proponents and achieve Financial Close, including execution of the Project Agreement. The successful Proponent, NLHP, was notified on April 12, 2019 and invited to enter into negotiations.

The unsuccessful Proponent, AHA, was also notified by the Province of the outcomes of the process on April 12, 2019 and provided the opportunity to request a debriefing. The Province conducted the debriefing on June 21, 2019.

Financial Close was achieved on June 14, 2019. The Fairness Advisor was not involved in the process to finalize Financial Close but was kept apprised of the Province's progress in this regard.

Activities and Observations

In regard to the Financial Close, the Fairness Advisor confirmed that the negotiation conditions identified in Annex A of the notification letter were satisfied and the required security was provided by the NLHP. The Fairness Advisor also verified the Net Present Value of the agreement to ensure it was in alignment with the amount proposed by NLHP in its financial submission.

The Fairness Advisor also made inquiries of the Province to confirm that AHA had received the Honoraria for participation in the RFP process as set out in the RFP. In addition, the Fairness Monitor participated in AHA's debriefing.

No fairness concerns were observed.

5. Opinion of Assurance

The Fairness Advisor hereby provides the following unqualified assurance statement concerning the Government of Newfoundland and Labrador's Central Long Term Care Facilities RFP process (RFQ#10916) conducted as described herein:

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



July 24, 2020

Steve Johnston
Managing Director
for RFP Solutions Inc.

Date