Alberta Health Services

CONFIDENTIAL REPORT as of July 5, 2013

HOMECARE RFP REVIEW

Prepared by the Vendor Appeal Panel

July 5, 2013

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Vendor Appeal Panel

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1. BACKGROUND

Background

In November 2011, a Homecare Contract Risk Assessment identified a number of high risks related to current Home Care contracts. Overall the risk rating for these contracts was assessed as Moderate. The following key risks were identified:

- Current contract terms vary across zones and the province, so the quality and assurance accountabilities are not consistently stipulated to the service providers.
- Current variations in existing contracts allow for inconsistent levels of service from contracted providers.
- An inconsistent funding model has resulted in a lack of parity in payment terms to providers across the Province with rates ranging from $22/hr to $32/hr.
- The financial viability of certain service providers (due to low reimbursement rates) may be at risk.
- Imbalance between number of contracted agencies and case management staff.
- Large number of providers in certain zones (Edmonton) which increases the monitoring costs.

Homecare Strategy

The results of the risk assessment were considered along with the provincial Homecare Redesign Strategy and used to develop a Homecare RFP strategy. The provincial Homecare RFP strategy included the following elements:

- Standard contracts
- Consistent funding model
- Standard variables in the following areas:
    - Defined service areas based on geography, site or specialty
    - Reimbursement parameters: minimum service time/travel support (time vs. distance)
    - Performance Standards/Service Delivery Expectations
        - Staffing, essential services, non performance recovery
        - Accreditation
        - Quality Assurance reporting requirements
        - Policy, guidelines, standards requirements, differences in client mix (levels of service required, etc) and licensing requirements for facilities.

Scope and Terms of RFP

The scope of the RFP was intended to address several of the elements of the provincial strategy outlined above including:

- Standard contracts
- Defined service areas based on geography, site or specialty
- Consistent performance standards and service delivery expectations
- Optimize the number of service providers in the Edmonton Zone (ideally reduce the numbers)

Included within the scope of the RFP were all home care services within the Edmonton Zone and all community based home care services in the Calgary Zone. Home Care

Services in Calgary delivered in facilities were still under active contracts so were not included in the scope of the RFP. It was also decided not to include the three rural zones in the RFP. Three unique service providers in Edmonton zone were also excluded from the RFP.

The key criteria set out in the RFP for the selection of vendors are detailed in Appendix F and fall into the following categories:

- Technical
    - Corporate profile and quality assurance
    - Service delivery
    - Staffing and sustainability
    - Transition plan
    - Innovation
- Financial viability
- Final selection criteria assuming above criteria are met
    - Service delivery considerations
    - Service capacity
    - Pricing and other efficiencies
    - Preference ranking

Each of the Edmonton and Calgary Zones were divided into Geographic Service Areas (GSA) within which may include congregate living environments (CLE). A congregate living environment is a multi-residential facility whose residents receive home care services and other services such as supportive living. Proponents could submit proposals for any combination of GSAs. Each GSA less any CLE's contracted to owner-operators would be served by only one provider. However a provider could be successful in obtaining contracts for more than one GSA. Owner-operators of CLEs could submit proposals for their facilities separately. Provided they met all of the RFP criteria as outlined above, they could reasonably expect to obtain a homecare contract for their clients.

RFP process

The review of the homecare contracts began in 2011 with a risk assessment and market analysis. In 2012, the development of a provincial home care strategic plan was begun and a project charter and steering committee was established in December 2012 for the homecare RFP process. Throughout this process, there was engagement with internal and external stakeholders to develop the business requirements for the RFP, standard master service agreements to be used, etc.

In early 2013, Alberta Health Services put out a Request for Proposals for Homecare services in Edmonton and Calgary. The RFP process was concluded in May with the decision on awarding contracts made in June and released to the public in June.

Timelines for the RFP were as follows:

Action	Date
Notice letter to providers	December 5, 2012
RFP Posted	February 7, 2013
Submissions Due	February 28, 2013
Briefing Note to AHS Executive	May 9, 2013
Briefing Note to Alberta Health	May 9, 2013

Executive Committee Approval	May 14, 2013
Audit & Finance Committee Approval	May 23, 2013
Letters of Intent to Successful Vendors (subject to Board Approval)	May 28, 2013
Notification to Unsuccessful Vendors	May 30, 2013
Board Approval	June 5, 2013
Client Letters	June 10, 2013

All RFP proposals were evaluated using the same criteria,. Stage 3 of the process involved determining the appropriate mix of service providers. The Committee considered several options to identify sufficient qualified service providers to provide adequate and quality care, while at the same time managing service delivery continuity risk and improving cost-effectiveness of the system. Based on the modeling scenarios, 5 to 7 community providers was viewed to be a good number to provide a reasonable client base for service providers and the best value for AHS.

This was confirmed throughout this review process and by the Fairness Monitor. The committees and staff conducting this process followed a rigorous approach and adhered to the key principles and criteria established at the outset of the RFP process.

During the process Executive and AH were briefed on the decision to proceed with the RFP process and award contracts; however, it is not clear from the information reviewed if all stakeholders understood some of the significant issues that the Committee considered during its deliberations and the analysis/basis for these decisions.

Results of the RFP

The following table summarizes the number of proposals received under the RFP and the number that were ultimately successful:

		Number of proposals that passed:				
		Mandatory (100% of Proponents)	Technical	Financial Viability	Both Technical and Financial	Number Selected
Congregate Living Environments	Edmonton	14	8	10	5	5
	Calgary	5	1	4	1	1
	Total	19	9	14	6	6
Community	Edmonton	18	14	13	10	6
	Calgary	17	9	12	6	6
	Total	35	23	25	16	12
Total		54	32	39	22	18

Notes:
1. Some vendors applied to both Edmonton and Calgary, and some for both Community and Congregate Living Environments, thus the totals above do not represent unique proponents.

2. The one proponent who submitted their proposal late and was disqualified from the RFP process is not included in the above table.

The following table summarizes the status before the RFP:

	Edmonton Zone	Calgary Zone
Number of providers before the RFP	35 (3 providers not included in the scope of the RFP)	10
Contract value before the RFP	$64 million	$45 million
After RFP	10	7

Some vendors applied to both Edmonton and Calgary, and some for both Community and Congregate Living Environments, thus the totals above do not represent unique proponents.

It is expected that AHS will save $18.5 million annually to be reinvested in health care services from this contracting process.

The following table summarizes the successful proponents on the RFP. There are 13 home care providers (three not-for-profit and 10 for profit). A further breakdown of these providers between for profit and not for profit organizations is contained in Appendix B.

Proponent name	**City**	**Nature**
Diversicare Trinity Lodge	Calgary	Congregate Living Environment
Rosedale Partnership	Edmonton	Congregate Living Environment
Shepherd's Care Foundation	Edmonton	Congregate Living Environment
St Michael's Health Group	Edmonton	Congregate Living Environment
United Active Living	Edmonton	Congregate Living Environment
Canterbury Foundation	Edmonton	Congregate Living Environment
Bayshore	Calgary and Edmonton	Community
Revera	Calgary and Edmonton	Community
CBI Home Health	Calgary and Edmonton	Community
CBI Home Health – GEF	Edmonton	Community
CBI Home Health – Silvera	Calgary	Community
Caregivers Home Health	Edmonton	Community
We Care	Calgary and Edmonton	Community
Classic Lifecare	Calgary	Community

Most home care clients will not see any change in their providers. About 10 percent of Calgary clients and about 30 percent of Edmonton clients will be transitioned to a new provider.

Home Care Clients per zone (January 2013)

Zone	Total # of home care clients	# home care clients who receive care from a contracted provider	# of home care clients who will transition to a new contracted provider
Calgary	13,013	6,316	1,348
Edmonton	15,447	7,512	4,713

The Committee understood that there would be a significant effort required to manage the transition of clients to new caregivers and assuring quality of care throughout the process. Transition plans were developed to ensure a smooth transition. The team understood transition risks and issues related to staff movement and recruitment and considered these factors in determining the final model and the final contract award decisions. Existing contracts were extended to July 31, 2013 to allow for the transition.

The transition to new service providers is currently underway. There have been minimal client concerns/transition issues in Calgary. The Edmonton Zone has experienced more issues due likely to two factors: the larger number of clients that are transitioning to new providers and the requirement to stop transition until the appeal is concluded.

Committee members have highlighted that we need to ensure that when we undertake significant change processes like this RFP that the whole organization and key stakeholders agree on the strategy and are committed to honour the results. The Steering Committee and working groups have spent over 18 months of efforts to complete this process and it took significant resources and difficult decisions were required. The teams focused on doing the best job possible in the interests of clients and AHS.

Vendor complaints

Subsequent to the release of the decisions to award contracts, a number of concerns were raised by clients who would be impacted by the change in services and by vendors who were unsuccessful in the RFP process. As a result of some public response to the results of the RFP, AHS after consultation with affected stakeholders reversed the decision to change providers for three cooperatives.

The concerns raised by the vendors generally fall into the following two categories:

1. Vendors who had issues with the RFP process, alleging that it was not fair or transparent or otherwise had deficiencies. Details of these complaints are contained in Section 2 and Appendix H but can be summarized as:
    - Inconsistent treatment of integrated sites between Edmonton and Calgary
    - Lack of clarity on some of the key criteria used in the RFP decision making process such as the desire to reduce the number of providers and quality considerations
    - The financial evaluation process did not properly include the financial position of both parent and subsidiary companies

- Inconsistent treatment of proponents related to the ability to negotiate price
- Timing of communications about the pending RFP and inadequate timelines to respond to the RFP

2. Several vendors and stakeholders disagreed with the perceived change to the service delivery model for those clients living in Congregate Living Environments. These vendors [redacted] operate congregate living facilities in Edmonton where most had previously provided site-based homecare services as well as supportive living services (under separate contract with AHS) to residents of their facilities. These vendors believe change to geographically based service providers for home care services to clients in their facilities will negatively impact their clients and for a variety of other reasons was a poor decision from a service delivery and patient care perspective.

A summary of the issues raised by the vendors is in Appendix H. A summary of the complaint letters is attached in Appendix I. Copies of the written complaints received were also shared with the Vendor Appeal Panel.

Review Objectives

The objectives of the review were to:

- Determine whether there is any substance to the concerns raised by vendors with respect to the RFP process, and
- Review the process and decisions related to home care service delivery for congregate living facilities and provide advice.

In support of the project objectives, the audit team:

- Reviewed all relevant documentation related to the RFP, the RFP process and the final decision.
- Interviewed individuals who had a key role to play in developing the RFP or in the RFP process. This included the Fairness Monitor engaged for the RFP.
- Interviewed individuals who had a key role to play in determining the service delivery model for the Edmonton Zone.
- Interviewed the following six vendors who had submitted appeals to the RFP:
  - [redacted]

Fairness Monitor

AHS engaged a Fairness Monitor (FM) for the RFP process to ensure that it was fair and transparent. Internal Audit reviewed the FM's report and interviewed the FM. Internal Audit also reviewed the process AHS used to select the FM, including the process to assess the qualification of the FM, and to ensure the FM had no conflicts of interest that could negatively impact their involvement in the RFP process. As a result of this process, Internal Audit was able to conclude that it could rely on the work of the FM while performing this review.

The FM's conclusion on the RFP as contained in their report dated June 20, 2013 was:

> In consideration of the above, having served as the Fairness Advisor during the conduct of the RFP No. SER2013-02-8091 as described herein, up to and including the identification of the successful Proponents (as affirmed on May 3, 2013 by the AHS Home Care Steering Committee) and having reviewed the solicitation documents and evaluation and selection process associated with each of Stage 1, Stage 2, and Stage 3 of the procurement process:
>
> We are of the opinion that the process which resulted in the determination of the following 13 successful proponents at the conclusion of Stage 3, was conducted in a manner which was consistent with the principles of fairness, and that these outcomes are an accurate reflection of the process and decisions of the AHS evaluation team.

Shepherd's Care Foundation
Rosedale Partnership
St. Michaels Health Care Services
Canterbury Foundation
United Active Living Inc.
Diversicare Canada Management Services Co., Inc.
Bayshore Healthcare Ltd., o/a Bayshore Home Health
Revera Health Services Inc., o/a Revera Home Health
CBI Home Health (AB) Limited Partnership
Caregivers Home Health Care Inc.
524173 Alberta Ltd. o/a We Care Home Health Services
Dignity Health Care Ltd. o/a We Care Health Services Calgary
Classic Lifecare Ltd.

A copy of the FM's report was shared with the Vendor Appeal Panel.

2. RFP PROCESS CONCERNS

The following is a summary of the key issues raised by the complainants related to the RFP process along with information obtained by Internal Audit in its review of the issues, and conclusions on each issue.

1. Inconsistent Treatment of Integrated Sites Between Edmonton and Calgary

Integrated sites in Calgary did not have to submit a response to the RFP while sites in Edmonton did and that the process was therefore not fair.

Information Obtained by Internal Audit

There are differences in the service delivery models as a result of historical practices in the Edmonton and Calgary Zone related both to service delivery models and contracting practices.

In Calgary, homecare services offered in supportive living facilities may be considered part of supportive living services and not homecare services under an integrated services model. This is a different service delivery model than what is used in the Edmonton Zone. There are currently 9 providers that provide integrated services under this model in the Calgary Zone. There are also Community providers that provide homecare services in 10 CLEs in Calgary, of which 2 also have supportive living services provided by another provider (100 clients).

In 2007, the Calgary Zone issued an RFP for the provision of integrated services (including those which would be classified as homecare services in the Edmonton Zone). The contracts for integrated care services in Calgary have not yet expired therefore these facilities were not included in the scope of the 2013 homecare RFP. These contracts expire in 2016 with a one year option to renew.

Edmonton has historically not used a geographic service delivery model and has a high number of providers delivering home care services in the community. In congregate living environments, providers have separate contracts for home care and supportive living services. There are currently twelve sites in the Edmonton Zone where home care services and supportive living services are provided by two separate service providers.

As a result, the RFP always had the potential to result in two providers delivering services within the same facility. This was recognized during the planning for the RFP but the impacts to the providers and clients were considered to be manageable at the time.

Most providers indicated in their complaint letters (See Appendix I) and in interviews that they considered the integrated model used by Calgary to be preferable in that it resulted in better, more consistent care for clients, offered providers efficiencies, better integrated services and was logistically more manageable within their facilities.

In discussion with the Fairness Monitor, Internal Audit learned that it is a business decision as to the scope of an RFP and what should be included and what should be excluded. As

long as the scope of the RFP is clear, which the Fairness Monitor indicated it was in this case, the exclusion of the integrated Calgary sites did not compromise the integrity of the RFP process.

Audit Conclusions:

The Calgary integrated sites had contracts awarded as a result of an RFP in 2007 and these contracts are not due to expire till 2016. As a result, these sites were excluded from the scope of the RFP.

Audit Advice:

For future RFPs, management should consider more effectively communicating the scope, and reasons for the determination of the scope, of RFP's to proponents to ensure the openness and transparency of the RFP process.

Vendor Panel Decision and Recommendations:

The panel concluded that the RFP scope was a business decision and the scope of the RFP was clearly communicated. In addition, Calgary contracts had not yet expired and therefore were not eligible to be included in the RFP.

2. AHS Did Not Disclose Desire to Reduce Number of Edmonton Providers

AHS was not forthcoming with their intention to reduce the number of service providers as a result of the RFP and, had vendors known this, they may have changed their RFP submissions.

Information Obtained by Internal Audit

The number of successful proponents and/or the desire to reduce the number of service providers was not a formal criterion of the RFP. However, it was clear in the RFP documents that only one provider could be successful for each Geographic Service Area (although more than one Geographic Service Area could be awarded to an individual provider) and for each congregate living environment. This alone would have resulted in a reduction in the number of community providers in Edmonton but not necessarily a reduction in the number of congregate living service providers.

The factors considered in the final evaluation stage of the RFP process as outlined in more detail in Appendices E and F and as disclosed in the RFP included:

- Service Delivery Considerations
- Service Capacity
- Pricing and Other Efficiencies
- Preference Ranking

While it was not specifically mentioned in the RFP documents, one of the efficiencies the Edmonton Zone wanted to achieve was to reduce the number of contracts in place within the Zone (and necessarily the number of providers as well) in order to achieve greater administrative efficiencies in managing the providers and the contracts.

AHS had ongoing communications and consultation with the Alberta Continuing Care Association (ACCA) and through the Continuing Care Collaborative Committee which includes representatives of AHS, AH, Municipal Affairs, Alberta Seniors and Community Supports, Alberta Senior Citizens Housing Association of Alberta, Seniors Housing Society of Alberta, and the ACCA over the 18 months prior to the release of the RFP. The communications included information about the proposed home care structure using Geographic Service Areas, accountability requirements and other proposed changes that could result in a reduction in the number of contracts and service providers. AHS understood that these bodies would be communicating these matters to their individual members but did not attempt to verify that this occurred.

While it may have been desirable from the proponents' perspective for AHS to have disclosed this, AHS had no obligation to do so as confirmed during discussions with the Fairness Monitor. Further, the RFP clearly indicated that AHS was free to select proponents that would achieve the best overall outcomes and values for AHS. .

Audit Conclusions:

AHS did not explicitly disclose its desire to reduce the number of providers in the Edmonton Zone. Although this was not a formal criterion for the RFP, it was considered a desirable outcome in that it would provide administrative efficiencies to the Zone. AHS was free to choose whatever proponents would achieve the most value for the organization. All proponents under the RFP had the same information available to them and were free to

adopt whatever strategies they wished, including the formation of consortiums to increase capacity and obtain economies of scale, when submitting their proposals. As a result, the RFP process was consistent and all proponents treated equitably with respect to their proposals.

Audit Advice:

For future RFP's, management should consider including significant factors that could impact the final decision on an RFP in the RFP documentation to ensure the integrity and transparency of the RFP process.

Vendor Panel Decision and Recommendations:

The panel concluded that there had been communication about the proposed home care structure using Geographic Service Areas, accountability requirements and other proposed changes.

The panel recommends that management accept Internal Audit's advice.

3. Financial Evaluation ( )

The financial evaluation of their proposal was flawed because the assessment of financial viability should have considered financial support of their parent company and did not and was therefore not fair. They also raised concerns with the vendor debrief process.

Information Obtained by Internal Audit

Prior to the RFP, provided community and site based homecare services in the Edmonton Zone under contracts expiring on or before July 31, 2013. d submitted a proposal in response to the RFP to provide services in both Edmonton and Calgary. The proposal was submitted by .

As part of their response to the RFP, submitted financial statements for themselves and their parent company . The information submitted did not include anything to say that the parent company would financially support in the event of financial difficulty. However, indicated that it should have been obvious to anyone familiar with the structure of large public companies that the parent company was willing to financially support and in fact should have been considered due to the typical financial relationship between parent and subsidiary organizations.

The RFP documentation states "Provision of parent company financial information does not by itself satisfy the requirement for the provision of the financial information of the Proponent, and the financial capability of a parent cannot be substituted for the financial capability of the Proponent itself." However, Addenda 5 to the RFP indicates that financial ratios for the proponent and parent company will be calculated.

financial viability score was - below the minimum financial viability score of . Their parent company's financial viability score was which was over the minimum financial viability score. Finance indicated in its assessment that it may be

desirable to contact the parent company to enquire if had a financial sustainability issues, would they assist .

Finance used the same methodology and criteria to assess the financial viability of all proponents regardless of their nature of business (REIT, Not-For-Profit, etc) or the basis of preparation of the financial statements (PSAS, IFRS etc). The methodology does have the result that subsidiaries or organizations with different corporate structures such as REIT's are unlikely to be assessed as financially viable due to the nature of the financial ratios used in the methodology and the inherent structure and financial situation of such organizations. Finance added commentary on the results of their assessment and subjective issues to assist the Steering Committee assess whether or not a proponent was viable. The notes included such questions as whether or not to include the financial statements of the parent company. Finance was not involved in the eventual decision making related to the qualitative issues they raised in their analysis.

There was a great deal of discussion within the RFP project team as to whether they should follow up with the parent company to get a letter of financial support for . The conclusion was that, if the team followed up with parent company, they would also need to follow up with every other proponent on the RFP whose financial viability score was less than to see if they could also get a letter of support. The project team also considered that there were other vendors who could meet AHS needs and had scores that needed to be considered for award before they started seeking clarification from vendors such as . The Fairness Monitor was also consulted on this issue and indicated that additional follow up was not required and exclusion of from further evaluation was an acceptable approach unless all proponents were given the same opportunity to obtain a letter of support.

In summary, was not considered for a contract as they did not meet the financial viability criteria. was advised of this issue when they met with AHS staff for the vendor debrief and they strongly asserted that the approach to assessing the viability of was not appropriate due to the nature of the company's relationship with its parent company.

Internal Audit identified that there were two other proponents to the RFP (and) where submissions were made by a subsidiary company and the financial statements of both the parent and subsidiary were included in their response to the RFP.

- submitted a proposal for both the Edmonton and Calgary Zones for both community services and congregate living facilities. . A financial viability assessment of their financial statements resulted in a score of which was well below the minimum threshold of . A financial viability assessment of their parent company resulted in a score of which was well above the threshold.
- submitted a proposal for both the Edmonton and Calgary Zones for community services. . A financial viability assessment of their financial statements resulted in a score of which was below the threshold of A financial viability assessment of their parent company resulted in a score of which was above the threshold.

The three proponents under the RFP did not have their financial viability assessed in a consistent manner due to the fact that the financial viability assessment of parent company was used instead of the financial viability assessment of itself. The intention was to assess the proponent (or subsidiary) financial statements for all service providers. However, an inadvertent error was made and the parent results for were

assessed. This resulted in [redacted] moving on to the next stage of evaluation when perhaps they should not have if the financial assessment was based solely on the proponent component.

The net result of the above is that [redacted] was treated the same as [redacted] while [redacted] was not. The financial viability assessment of [redacted] parent company was used as a result of human error in determining whether [redacted] was to proceed to the next stage of evaluation. Like [redacted] and [redacted], they should have been excluded from further consideration as a result of not achieving the minimum financial viability score. [redacted] was successful in obtaining a contract as a result of moving onto the next stages of the RFP.

There was another issue related to the financial viability assessment model related to [redacted] – another proponent under the RFP. [redacted] submitted a proposal for congregate living environments in the Edmonton Zone. [redacted]. A financial viability assessment of their financial statements resulted in a score of [redacted] which was below the threshold of [redacted].

[redacted]

Audit Conclusions

Internal Audit reviewed the financial information for [redacted], [redacted] and [redacted]. Each of the three proponents submitted financial information for both the subsidiary who was the proponent and the subsidiary's parent company. In each case, the financial viability evaluation of the proposal should have been based on the financial viability of the subsidiary. This occurred for both [redacted] and [redacted]. However, due to human error, the financial viability evaluation of [redacted] was based on the financial viability of the parent company. This was inconsistent with both the treatment of [redacted] and [redacted] and with the methodology used to assess the financial viability of proponents. As a result, all proponents were not treated equitably and [redacted] went on to successfully get a contract while the other two proponents did not.

As [redacted] had submitted a proposal for congregate living environments, they may have been eligible for a contract although they only achieved a technical score of [redacted] for Calgary which was below the required threshold of 70% meaning they would only have been eligible for a contract in Edmonton where they achieved a technical score of [redacted]

If the financial viability of [redacted] (the parent company) had been considered they would have been assessed as financially viable and would have proceeded to Stage 3 of the evaluation process. [redacted] technical ranking score was [redacted] for Edmonton and [redacted] for Calgary.

The RFP documents including the Addenda do not provide clear information as to whether the financial statements of a parent company will be considered in determining the financial viability of the proponent where the proponent is a subsidiary. Also, there may be questions as to whether the methodology used to assess financial viability is appropriate for entities with different corporate structures such as Real Estate Investment Trusts or whether it appropriately considers the financial statements of both the parent and subsidiary company when assessing financial viability.

The vendor debrief occurred after the RFP process was complete and had no impact on the

RFP results.

Audit Advice:

Management should make it clearer in the RFP documentation how and when the financial statements of a parent company would be considered in the financial viability assessment of a subsidiary and what additional information, such as a guarantee from the parent company, would be required to be submitted in order for this to occur.

Management should review the financial viability assessment model to determine if any changes are required to address the issues of parent and subsidiary company financial statements and entities that have different structures such as not for profit organizations and REIT's.

Management should also review the process for evaluating the qualitative factors identified by Finance during the financial viability assessment to ensure that they are appropriately considered or follow up on as part of finalizing the financial viability scores as well as the process for reviewing and finalizing the results of the financial viability assessment. This may include formalizing the roles and responsibilities of Finance and CPSM with respect to the financial viability assessment.

CPSM may want to ensure that key messages are understood by all members of the team attending a debrief in advance of the meeting

Vendor Panel Decision and Recommendations:

The panel agreed that there had been inconsistent treatment of the vendors with respect to the assessment of their financial viability and recommended:

- That the remodeling done which included the three vendors (, , and) undergo a further review by operations to ensure the final conclusions with respect to the RFP award of contracts are appropriate and supported by the analysis
- Disclose to and that as a result of human error, their financial viability assessment had not been performed in a consistent manner, this has now been corrected and AHS is in the process of assessing the impact of this change on the RFP award.
- That AHS gets financial guarantees from parent companies before a contract is signed
- AHS incorporate best practices related to financial evaluation of proponents to RFP's and ensure that the methodology used minimizes any bias to particular types of organizations (eg. non-profits, income trusts).

The panel recommends that management accept Internal Audit's advice.

4. Not all proponents had an opportunity to negotiate price (,)

They were advised by other RFP participants that they had been contacted prior to bids being closed to negotiate pricing and they were not and that the process was therefore not

fair.

Information Obtained by Internal Audit

AHS did contact proponents to discuss pricing in two situations and this was consistent with the provisions of the RFP:

1. At the beginning of the Phase 3 Evaluation (after Financial Viability Assessment and Rating) where there was tiered pricing to ensure understanding of the pricing model
2. After the final proponents were identified to inform them of what AHS was prepared to offer (including pricing as well as other contractual terms such as volumes and geographic areas).

All proponents who met the minimum rating thresholds for both the financial viability assessment and the technical rating and who had tiered pricing in their proposal were contacted to clarify the pricing model. The two complainants would not have been contacted since:

1. [redacted] did have tiered pricing but did not meet the financial viability threshold so did not proceed to Stage 3 Evaluation.
2. [redacted] did not have tiered pricing.

The RFP permits AHS to contact proponents to seek clarification on any portion of the proponent's submission.

For the second scenario, proponents were identified to negotiate contracts at the end of Phase 3 Evaluation. A letter was sent to these proponents on May 27, 2013 and they were contacted by phone on May 28 where AHS verbally presented their terms. This discussion was not a negotiation. Proponents were informed of what AHS was prepared to offer (including pricing) and they could either accept or decline. If one of the proponents declined (which did not happen), AHS would have to reconsider its final list of proponents and make adjustments. Once all identified proponents had accepted the terms, letters were sent out to the unsuccessful proponents on May 30, 2013.

This is consistent with the terms of the RFP which permit AHS the right to negotiate an agreement with preferred proponents with notice of selection to be provided to the proponent in writing. The RFP also gives AHS the right to disqualify the proponent if they cannot come to an agreement. Finally, the RFP requires AHS to notify the unsuccessful proponents in writing once the successful proponents have been identified. The only thing the RFP is not clear on is whether this notification to the unsuccessful proponents is to be before or after AHS enters into discussions with the successful proponents. Several proponents interpreted the RFP as meaning that negotiations could not occur until the formal award of contracts had been announced and all proponents had been notified of the results.

This was discussed with the Fairness Monitor who indicated it is normal practice to notify successful proponents first to allow for negotiations before contacting unsuccessful proponents.

***Audit Conclusion*:**

We were informed that proponents were not contacted to negotiate pricing during the RFP

process until the final proponents were selected by AHS for negotiations to enter into a contract to provide services. This was consistent with the terms of the RFP.

Audit Advice:

Management may want to make the relative timing or sequence of the following clearer in the RFP documentation:

- Notice to successful proponents
- Presentation of AHS terms to successful proponents, and
- Notice to unsuccessful proponents.

Vendor Panel Decision and Recommendations:

The panel concluded that the RFP process had been followed with respect to negotiation of pricing before the bidding was closed.

The panel recommends that management accept Internal Audit's advice.

5. Restrictions on applying for geographic zones and for congregate living environments ( )

- They did not have the flexibility of applying in more than one geographic zone nor were they aware of this as a criterion in the award of the RFP and this put them at a disadvantage against other providers participating in the RFP.
- They were not treated the same as other owner-operators in the zone as congregate buildings could be applied for separately and were not included in the zone applications while congregate living environments were included in the zone application.

Information Obtained by Internal Audit

submitted a proposal for the Geographic Service Area (GSA) but did not submit a proposal for the congregate living environments (CLE) that they owned and operated although they were eligible to do so. This appears to be the result of a misunderstanding on their part of the terms and conditions of the RFP and a determination that they could not submit a proposal for their CLEs when they actually could.

did not appear to understand that a CLE is merely a specific type of congregate building and that, as a result, CLE's could be applied for separately by the owner-operator. Under the terms of the RFP, CLE's were only included in GSA's to the extent that AHS did not issue separate contracts for them.

is the employer of the Home Care staff who currently provides that service in the lodges. As such, they are in essence the owner-operator of these facilities.

Under the terms of the RFP, had the option to submit a proposal as the owner

operator of two of their facilities that met the definition of Congregate Living Environments. The other two facilities did not qualify since one was not yet in operation and the other was just a lodge and did not offer home care services. Had they submitted a separate proposal for the two qualifying facilities, they would have been evaluated on that basis and, given that they had acceptable rating and financial viability scores, may well have been successful in retaining the contracts for those facilities given that all other owner-operators in the Edmonton Zone who achieved these ratings/scores were successful in retaining their contracts.

Internal Audit is not able to comment on the statement that they did not have the flexibility to submit a proposal for more than one GSA since they were a . Based on our interview with them, this does not seem to be a legal restriction in any way but merely a concern that y. Nothing in the RFP prohibited a from submitting proposals for GSA's nor did any of the RFP criteria assess the ability of a proponent on the number of GSA's they submitted proposals for.

***Audit Conclusions*:**

did not submit a proposal as an owner operator of its facilities but only submitted a proposal for a GSA. Their proposal was assessed on the same basis as any other proponent that submitted a proposal for a GSA. Since the did not apply as an owner-operator, they were not assessed as an owner-operator. However, had they not misunderstood the RFP requirements, they may have been successful in retaining their contracts for the 2 CLEs.

***Vendor Panel Decision and Recommendations*:**

The panel concluded that the had the same options for submission as any other owner operator and there were no restrictions in the RFP with respect to the zones that they could apply for.

6. Timing of Communications of Intent to Issue an RFP to Operators (,)

Existing homecare service provider contracts were given advance notice of the RFP and therefore had an advantage in the process. There was no communication prior to the RFP with other operators of designated assisted living operations who do not have current home care contracts with AHS.

Information Obtained by Internal Audit

AHS did notify all providers with existing homecare contracts several months prior to the public release of the RFP. AHS did not have an obligation to notify all potential providers and it would have been very difficult for them to identify such if organizations outside the province were to be considered as well.

AHS had ongoing communications with the Alberta Continuing Care Association and through the cooperative group which included representatives of AHS, AH and the provider community over the 18 months prior to the release of the RFP about the upcoming RFP. AHS understood that these bodies would be communicating this to their individual members but did not attempt to verify that this occurred.

The RFP was posted publicly on February 7, 2013 so full information was made available to everyone and anyone interested had the ability to submit the proposal which was due by February 28, 2013.

Internal Audit discussed this with the Fairness Monitor who indicated that AHS had no obligation to notify all potential proponents to the RFP in advance of the RFP and it was acceptable to notify existing providers as a courtesy provided the notification did not contain any information that would give them an advantage in the upcoming RFP which was the case. The notifications merely indicated that an RFP was planned with the approximate date of the RFP.

***Audit Conclusions*:**

There was ongoing and regular discussion of the planned RFP with bodies representing the provider community.

The providers receiving the advance notice did not receive any information that would give them an advantage in preparing a response to the RFP since they did not know the scope and requirements of the RFP before it was posted publicly.

***Vendor Panel Decision and Recommendations*:**

The panel concluded that there had been communication to the provider community of the planned release of the RFP and no action is required as a result of the complaint.

7. Timelines to Respond to RFP Were Too Short ( )

A three week timeline to respond to an RFP of this size and complexity was too short for organizations to respond to.

Information Obtained by Internal Audit

AHS had had ongoing communications with the Alberta Continuing Care Association and through the cooperative group which included representatives of AHS, AH and the provider community over the 18 months prior to the release of the RFP about the upcoming RFP. As part of these discussions, AHS presented the following two options:

- Provide 60 days advance notice of the posting of the RFP with a three week response period, or
- Provide 45 days advance notice of the posting of the RFP with a six week response

period.
The first option was selected as preferable by these industry bodies. AHS understood that these bodies would be communicating this to their individual members but did not attempt to verify that this occurred.

Providers who already had contracts with AHS received a notice several months in advance of the RFP that it was coming but the notice did not contain any information that would give them an advantage in responding to the RFP.

The RFP was posted on February 7, 2013 and proposals were due February 28, 2013. Several proponents communicated that a three week timeline to respond to an RFP of this size and complexity was inadequate and strained their resources which were already at capacity. One proponent needed to hire a consultant to assist them in the preparation of their proposal.

***Audit Conclusion*:**

While the timelines were challenging, all proponents had to respond in the same timeline.

Vendor Panel Decision and Recommendations:

The panel concluded that AHS had engaged the provider community either directly or through bodies representing them and had come to mutual agreement on both the required period of advance notice of the RFP and the response period to the RFP..

8. No Considerations of Quality ( )

The RFP evaluation did not appear to consider of quality of service delivery issues, consistency of care and medication, stability of staffing models, impact on clients and staff.

Information Obtained by Internal Audit

Criteria related to quality, consistency of care, etc were assessed during Stages 2 and 3 of the evaluation process (see Appendices F and G).

All proponents who met the mandatory requirements were assessed against the technical criteria, which included quality, in Stage 2. Those proponents who made it to the end of Stage 3 Evaluation were also evaluated against criteria that included Quality.

The evaluation criteria for Phases 2 and 3 were clearly identified in the RFP and are summarized below.

Stage 2 Criteria used covered a variety of factors including:

- Client referral and commencement
- Supervision
- Scheduling and continuity of care,
- Service monitoring/missed visits

- Care plan: practices and standards
- Incident management
- Client rights and relations

These criteria included assessing whether proponents:

- Had an occupational health and safety program
- Were Accredited
- Had practice standards and adequate documentation and charting standards
- Had an incident management process
- Had a transition plan that addressed continuity of care, timelines and risks

All of the above criteria were based on process and did not include an assessment of performance or outcome measures or past experience with the proponent. Management advised that this was due to the fact that consistent quality indicators were not available for all existing and new providers. While all proponents provided references as part of their RFP submission, these references were not consistently checked.

Stage 3 Criteria assessed against several factors including:

- Aging in place
- Acute care avoidance
- Continuity of care

The detailed criteria for each of the above is included in Appendices F and G.

Audit Conclusion:

All proponents were assessed consistently using the criteria set out in the RFP. The technical criteria included quality, staffing, etc.

***Vendor Panel Decision and Recommendations*:**

The panel agreed that the process used to assess quality for each of the proponents was consistent but focused on process only and did not consider any assessment of performance or outcome measures or past experience with the proponent.

The panel recommended that future RFP's include quality assessments that encompass one or more of the following measurement tools::

- Evaluation of quality indicators including performance and outcome measures using reliable data (ie. Inter-RAI measures) – whether that data comes from within AHS or external sources (ie. HQCA)
- Checking of references (both internal and external) to assess quality and service outcomes
- Client feedback and satisfaction.

9. Operators Solicited Business Prior to RFP and This Influenced Outcome
( )

Some operators engaged in letter writing solicitations prior to the RFP process and this is

perceived as being material in who ultimately received contracts.

Information Obtained by Internal Audit

It is normal business practice for there to be ongoing communication between AHS and current and potential providers with respect to business opportunities.

Once the RFP process began, providers/proponents were forbidden to contact anyone at AHS other than the designated RFP contact. This prohibition is clearly set out in the RFP.

All proponents were assessed in a consistent manner using the criteria set out in the RFP and the final decision on the successful proponents was based on the results of this evaluation process.

Audit Conclusion:

There was ongoing discussion between AHS and current and potential providers prior to the RFP as a normal part of business.

Once the RFP process began, providers were prohibited from communicating with anyone at AHS about the RFP other than the designated contact within the RFP.

Vendor Panel Decision and Recommendations:

The panel concluded that no written letters from proponents were reviewed by the RFP evaluation team and that the evaluation team followed the RFP evaluation guidelines in a consistent manner for all proponents and therefore the process was followed.

10. No Competitive Process Used For Selection of Software ( )

AHS required vendors providing services in Calgary to use Strata Software yet there had been no competitive process to select this software for use and therefore the requirement to use Strata software is unfair.

Information Obtained by Internal Audit

The RFP, and specifically Addenda to the RFP, was clear on the requirement that proponents would be required to use and exchange information with the Strata software in both the Edmonton and Calgary Zones.

In 2001, the Calgary Health Region entered into a partnership with Strata to develop customized software for the Calgary region which has been in use continuously ever since and is meeting the organization's needs. In 2011, AHS negotiated a new contract with Strata to extend the use of the software to the entire province. The contract was for a five year term with an option to renew for an additional year.

When developing the provincial home care strategy and the scope of the RFP, the use of a single software platform for the entire province was considered desirable. The Strata software had been in use in Calgary for a number of years and was meeting operational needs. As a result, it was determined that there was no need to change software platforms.

In addition, the cost to AHS to change to new software would be significant.

Internal Audit discussed this with the Fairness Monitor who indicated that it is reasonable for organizations not to go through a competitive procurement process to replace software systems that have been in place for many years especially when replacing the system would result in a significant cost to the organization which would be the case for AHS. The Fairness Monitor also indicated that it was reasonable to require successful proponents to use the organization's software provided this requirement was contained in the RFP as it was.

***Audit Conclusions*:**

AHS has an existing contract with Strata which has several years remaining. When developing the scope of the RFP it was determined that there was no need to include a change in the software and that use of the Strata software by providers would be required.

There was no requirement for AHS to go through a competitive process for the selection of software to be used for the homecare business and which providers would be required to use as well.

Vendor Panel Decision and Recommendations:

The panel concluded that the decision to use the software was established in the RFP and that no further action is required.

3. CONGREGATE LIVING SETTINGS

3.1 Cooperatives

Subsequent to the results of the RFP being announced, AHS reversed a decision to cancel home care contracts with three Edmonton-based supportive cooperatives, recognizing the unique, specialized care they provide. This decision was in part the result of direct appeals to the Alberta Government. The three providers are:

- Abbey Road Housing Cooperative
- Artspace Housing Cooperative, and
- Creekside Support Services

AHS publicly announced that they will also look at opportunities to:

- Allow existing current home care arrangements established by patient/client cooperatives to continue unchanged
- Allow home care services for specialized and high-needs client groups in the community to continue unchanged.
- Address the impact of changes to palliative home care services to ensure access and quality of care.

Issue: Unique care providers

After the above announcements, operators of congregate living environments that were unsuccessful in the RFP expressed concerns about the revisions to the results of the RFP for the three co-operatives in Edmonton. They felt that if exceptions were granted to these few, further exceptions should also be considered and that AHS should be offering the same opportunity to all congregate living service providers.

Information Obtained by Internal Audit

The Steering Committee had discussed the co-operative environments in Edmonton Zone and while they recognized the special circumstances, their view was that the clients in these environments should be offered the same level of quality care as other clients receiving homecare services in other settings. There were 3 other contracts that were excluded from the scope of the RFP– . (unique client base), and .

The Cooperatives, if they wished to apply to provide services within their own buildings per the RFP were able to apply to provide these services.

This issue does not exist in Calgary because they do not have these types of contracts. In Calgary there are 4 unique situations whether a cohort of high needs clients live in 4

independent settings and where the Community service provider provides services to these clients. None of these situations is a Co-op.
Audit Conclusion and Advice: There may be other unique circumstances that exist – religious organizations ( ) and or other unique groups (,) that were considered CLE in the past either did not apply to the RFP or were not successful due to the small size of their client base. Management may want to consider if any of the clients served by these providers are unique and therefore, should be considered as exceptions.
Vendor Panel Recommendations: The panel recommended that: • formal criteria be defined for what constitutes a "unique" populations/providers • providers must meet quality standards, and • a consistent and transparent process be established to assess current homecare providers against these criteria when making decisions as to whether they are eligible for special consideration. • Consideration be given in developing an "appeals" process pending decisions.

3.2 Other Congregate Living Environments

Most providers indicated in their complaint letters (See Appendix I) and in interviews that they considered the integrated model used by Calgary to be preferable in that it resulted in better, more consistent care for clients, offered providers efficiencies, better integrated services and was logistically more manageable within their facilities.

Their specific concerns were that an integrated service delivery model which they were previously providing:

- provides better care to patients including:
  - better integration with other services such as Designated Assisted Living,
  - round the clock care,
  - aging in place,
  - more personalized care,
  - ensuring that all services a patient receives are delivered by the same provider, and
- is more cost effective overall for the health care system by reducing the demand for emergency services and acute care.

Owner-operators of facilities that delivered home care services had the option of submitting proposals under the RFP for their facilities as opposed to submitting proposals for geographic areas. Provided they had a minimum number of clients or service hours and their proposals met the technical and financial viability criteria and their rates were within

the maximums set out in the RFP, they should have retained their contracts. A few of these facilities did not retain their contracts either because they did not have the required service volumes or because they did not meet either the technical or financial criteria. In one instance, the provider misunderstood the terms of the RFP and did not submit a proposal as an owner operator but rather for their geographic service area and was not successful ( ). Had they submitted their proposal as an owner operator, it is possible that they would have retained their contract.

Issues Impacting Congregate Living Environment Providers and Clients:

For those providers who were unsuccessful, the result will be services being provided to their residents/clients by two different service providers. In some cases, one member of a couple might be receiving supportive living services while the other only required home care services. Previously both services were offered by the facility and were well integrated. The fear by the facilities now is that by splitting the delivery of services between two providers, quality of service to the clients will decline. The providers also expressed a number of concerns related to logistics and coordination of the services.

1. Operators of congregate living environments are concerned that the change to geographic provision of home care resulting in a second provider delivering service to the clients in their facilities will negatively impact their clients and the quality of their care. Key issues identified include:

    - Lack of round the clock care resulting in harm to the client and increased use of emergency services.
    - Many clients have received continuous care from the same provider for many years and the transition to a new provider is emotionally stressful for many seniors.
    - The integration of the delivery of supportive living services by the facility and home care services by an offsite provider will result in service delivery gaps, knowledge transfer gaps on patient care and increased risk of incidents with the potential to harm clients.

2. Providers expressed concern that logistical issues associated with offsite providers delivering care within privately owned facilities had not been considered or were significantly underestimated with the impact on providers, financial and otherwise, not considered. For example:
    - Access to secure buildings and client apartments by offsite staff. This was perceived to be a significant risk to the physical security of the building and clients.
    - Parking for increased numbers of staff (onsite and offsite) would be inadequate.
    - Use of building facilities such as washrooms and staff lunchrooms by offsite staff would be an issue on some sites.
    - The need for providers to hire additional staff for security and to manage access to the building for offsite staff.
    - Medication management and delivery to clients by off-site staff. Who would receive medications and manage inventory? Where would inventory be stored in the facility if not managed by facility staff?

3. Most providers were concerned that awarding the homecare services provision for clients in their facilities to another contractor will negatively impact their business operations and their ability to provide services under the current supportive living contract arrangements with AHS. In some cases, providers indicated that these

changes may cause them to reconsider whether they will continue to offer government funded services.

They recommend that site based congregate care operators be provided the first right of refusal to provide these services at the rates set out in the RFP.

Information Obtained by Internal Audit

The decision to include congregative living settings in the RFP process was a significant issue discussed by the Steering Committee. The group also recognized the different contractual arrangements between Calgary and Edmonton and the impact on the RFP process.

The Committee considered leaving out congregate sites from the RFP process; however the homecare contracts in Edmonton had expired and they needed to be renewed. At the same time, the risk analysis and past experience with providers had demonstrated some significant issues – significant variability in costs, financial viability of service providers, accountability requirements and service quality. The RFP process was designed to help improve quality of care, cost-effectiveness and accountability for these services.

The advantages of the congregate living environments were acknowledged by the Committee and one of the key criteria was to support Aging in place for seniors. This is one of the reasons that contractors were able to bid on providing homecare services in their congregate living environments. This approach would allow successful proponents to continue to provide a full range of services to clients in their environments. The Committee believed that this would be the most appropriate and fair approach to awarding new contracts for homecare services in the congregate living environments. The process would allow AHS to select the best quality health care providers that would provide the best value for money.

The results of the RFP for congregate living environments:

- 6 proponents were successful (5 – Edmonton; 1 in Calgary)
- 10 proponents were not successful (2 – Both Edm and Calgary; 7 in Edmonton; 1 in Calgary). However, one proponent was Creekside/Abbey Road which has recently had their contracts reinstated.

For those CLE providers that were not successful:

- originally did not pass the financial assessment scores.
- . and passed the technical scor es but did not pass the financial assessment.
- The other 6 providers did not meet the technical rating requirements; one of these providers was .
- Of the 9 unsuccessful providers, 5 out of 9 currently provide supportive living services to clients in their facilities. The 5 service providers have all filed complaints regarding the RFP process and results.

A summary of the results for these service providers is included in Appendix D.

It is also important to note that 8 congregate living providers did not apply to the RFP. These included the co-operatives, the and a number of other smaller providers that may not have had sufficient number of clients or resources to meet the

minimum RFP requirements which were:

- Possess a Supportive Living License
- Minimum 25 clients
- Minimum 12,000 home care hours per year.

There is a concern that change in approach would be a significant step backward in terms of quality and accountability for service delivery.

Audit Conclusions:
As stated earlier, the RFP process was applied consistently, with the exception of the financial viability assessment for [redacted]. The result is that 5 service providers, currently offering supportive living services to clients in these CLE's will no longer offer homecare services. Clients in these settings will receive homecare services from a Community provider. As noted above the providers believe this is not the preferred model and presents a number of impacts to providers and clients that they do not believe have been considered. Management understands the impacts and had considered the changes as part of the transition planning. However, there are differing views of the significance of the impacts to providers and clients.

Audit Advice:
For future processes:

- management should consider how to best engage the clients and stakeholders (eg. clients) in assessing significant changes to service delivery models.
- At key milestones in the RFP process, agreement needs to be reached with AHS Executive/Administrator and Ministry of Health to confirm strategy and approach to issues.
- The process should allow for adequate time to address vendor appeals before client transitions occur.
- Management should implement a formal risk and impact assessment on the results of all significant RFP's impacting delivery of care prior to announcing those results to confirm commitment to the approach and ensure appropriate risk mitigation plans are in place.

Vendor Panel Recommendations:

The panel recommend that a formal risk assessment be performed on the issue surrounding the Congregate Living Environments that considers:

- Number of affected clients and hours of care
- Transition plan, including an assessment of the impact on clients and other stakeholders of any required transition
- A comparison of the different models used by the Edmonton and Calgary Zones with an assessment of the risks and opportunities associated with those differences
- Quality and patient care

- Social impact assessment, including impact on employees of affected service providers
- Impact on or disruption to other services – supportive living, long-term care, emergency and acute care

The panel recommend similar risk and impact assessments be undertaken in future RFPs that involve significant changes to healthcare service delivery models/strategies.
The panel also recommends that management accept Internal Audit's advice for future RFPs.

APPENDIX A: REVIEW TERMS OF REFERENCE

Background

In early 2013, Alberta Health Services put out a request for Proposals for Homecare services in Edmonton and Calgary. The RFP process was concluded in May with the decision on awarding contracts made in June and released to the public in June.

Subsequent to the release of the decisions to award contracts, a number of concerns were raised by clients who would be impacted by the change in services and by vendors who were unsuccessful in the RFP process.

As a result of some public response to the results of the RFP, AHS after consultation with affected stakeholders reversed the decision to change providers for three supportive living cooperatives.

The concerns raised by the vendors generally fall into the following two categories:

1. Vendors who had issues with the RFP process itself alleging that it was not fair or transparent or otherwise had deficiencies specifically:
   - ( ) the evaluation of their proposal was flawed in that the assessment of their financial viability should have considered financial support of their parent company and did not and was therefore not fair.
   - (,) they were advised by other RFP participants that they had been contacted prior to bids being closed to negotiate pricing and they were not and that the process was therefore not fair.
   - ( ) they did not have the flexibility of applying in more than one geographic zone nor were they aware of this as a criteria in the award of the RFP and this put them at a disadvantage against other providers participating in the RFP.
   - ( ) They were not treated the same as other owner-operators in the zone as congregate buildings could be applied for separately and were not included in the zone applications while congregate living environments were included in the zone application.
   - ( ) Integrated sites in Calgary did not have to submit a response to the RFP while sites in Edmonton did and that the process was therefore not fair.
   - (,) AHS was not forthcoming with their intention to reduce the number of service providers as a result of the RFP and, had the vendor known this, they may have changed their RFP submission.
   - ( ) AHS requires vendors providing services under the RFP in Calgary to use Strata Software yet there had been no competitive process to select this software for use and therefore the requirement to use Strata software is unfair.

2. Vendors who were unsuccessful in the RFP process and disagreed with the changed delivery model. These vendors ([redacted]) operate congregate living environment in Edmonton and had previously provided site-based homecare services as well as supportive living services to residents of their facilities. These vendors felt that the change to geographically based service providers not located in the facilities would negatively impact their clients and for a variety of other reasons was a poor decision from a service delivery and patient care perspective. They also felt that the Congregated Living Environments in Edmonton were being treated differently from those in Calgary. Their specific concerns were that an integrated service delivery model:
    - provides better care to patients including:
        - better integration with other services such as Designated Assisted Living,
        - round the clock care,
        - aging in place,
        - more personalized care,
        - ensuring that all services a patient receives are delivered by the same provider, and
    - is more cost effective overall for the health care system by reducing the demand for emergency services and acute care.

Review Objectives

The objectives of the review are to:

- Determine whether there is any substance to the concerns raised by vendors with respect to the RFP process, and
- Review the decision to change the home care service delivery model in Edmonton for congregate living facilities and provide advice on options.

Scope and Approach

In support of the project objectives, the team will:

- Review all relevant documentation related to the RFP, the RFP process and the final decision.
- Interview individuals who had a key role to play in developing the RFP or in the RFP process. This may include the Fairness Monitor engaged for the RFP.
- Interview individuals who had a key role to play in determining the service delivery model for the Edmonton Zone.
- Interview a sample of the vendors that have submitted complaint letters.

Specific procedures to be performed are outlined below.

Criteria

The following criteria were used during the review:

- The RFP process followed applicable AHS policies and legislation.
- The RFP was clear and transparent and aligned with best practices.
- All vendors were treated equitably
- The decision to change the service delivery model in Edmonton was approved in accordance with AHS policies.
- All key stakeholders were consulted with respect to the decision to change the service delivery model in Edmonton.

Deliverable(s)

At the conclusion of the project, a report will be prepared that includes:

- an overall conclusion on the objectives of the review, and
- the results of our review including specific observations and recommendations.

Reporting

Upon completion of the review, the report will be reviewed with the Vendor Appeal Panel to discuss the results. A draft report will be distributed in advance of the meeting of the panel.

A final report along with the Vendor Appeal Panel decisions will be issued to the Official Administrator and the Chief Executive Officer.

Key Client Contacts

The key contacts for this audit are:

- Jitendra Prasad, SVP CPSM
- Lara Check, Executive Director SPSM
- Dave O'Brien, SVP Primary and Community Care
- Mike Conroy, SVP Edmonton Zone
- Marianne Stewart, VP Community and Mental Health
- Brenda Huband, SVP Calgary Zone
- Julie Kerr, VP Community, Rural and Mental Health

Audit Team

The engagement team will consist of:

Name	Role	Contact Details
Ronda White	Chief Audit Executive	e-mail: ronda.white@albertahealthservices.ca Phone: (780) 735-1169
John Richardson	*Director*	e-mail: john.richardson@albertahealthservices.ca Phone: (780) 735-1168
Butho Ncube	*Manager*	e-mail: Butho.ncube@albertahealthservices.ca Phone: (780) 735-1168

Timelines and Budget

The following table sets out the expected timelines and budget for the project with key dates identified.

Audit Process	Milestones	Estimated hours	End date
Planning	Terms of Reference, Planning meeting, review of planning documents, audit program	20	June 24, 2013
Fieldwork	Risk Assessment, Review of Policies and processes and other documents, meetings	40	June 27, 2013
Reporting	Issuance of Draft Report	5	June 28, 2013
	Final Closing Meeting	5	July 2, 2013
	Final Audit Report Issued	5	July 3, 2013
	Total	**75**	

Summary of Complaints and Proposed Procedures

1. RFP Process

RFP Process	• Obtain an overall understanding of the RFP process and evaluation methodology. • Review RFP and related documentation. • Document overall process and assess against policy and best practices.
Fairness Monitor	• Review process to contract with the fairness monitor and assess independence/qualifications • Review the Fairness monitor's report and assess results.
Financial Viability Evaluation ( )	• Review the results of the financial bid evaluation and obtain explanation for not pursuing further financial information from the vendor to support their bid. • Assess whether the vendor's bid was evaluated in a manner consistent with other bidders and consistent with RFP evaluation methodology. • Assess impact of the financial evaluation/exclusions and whether it would have impacted the final contracting decisions.
Pricing negotiations (,)	• Obtain overview of process to evaluate bid pricing and whether consistent with RFP methodology. • Determine whether certain contractors were allowed to adjust pricing during the bidding process.

RFP requirements	• Assess RFP disclosures to determine whether they were adequate re: ○ Whether the ability to apply in more than one geographic zone was an RFP criteria ( ), ○ Whether all owner-operators in the Edmonton Zone were treated consistently ( ) ○ Whether integrated service providers were treated consistently in Edmonton and Calgary ( ) ○ The desire by AHS to reduce the number of contractors ( ) ○ The required use of Strata Software in the Calgary Zone ( ).

2. Congregate Living

Service Delivery Model (, ,)	• Obtain an understanding of the scope of the RFP for both Edmonton and Calgary Zone and the decision related to home care services provided in Congregate Living settings.
	• Engagement of stakeholders in RFP process and whether the issue of services provided in congregate settings was examined and evaluated.
	• Determine the reasons for the differences in the scope for the RFP for Edmonton and Calgary Zone.
	• Review the process for approving the scope of the RFP at senior level including that an analysis of risks was considered from multiple perspectives - financial, service quality and patient impact.
	• Obtain understanding of reasons for selecting the mix of service providers in each zone and basis for limiting the number of service providers in each Geographic area.
	• Review the process for assessing the results of the RFP and approval of the final RFP decisions by senior management.

APPENDIX B: RFP RESULTS BACKGROUNDER

AHS Home Care Request for Proposal - UPDATED

May 30, 2013

Issue
Alberta Health Services (AHS) is in the final stages of the request for proposals (RFP) for home care services in Calgary and Edmonton.

Tuesday, May 28, 2013 successful providers received notification; Thursday, May 30, 2013 unsuccessful providers received notification.

Zones are working closely with vendors, who did not receive a contract, to help manage issues.

Actions

Action	Date	Responsibility
Letters of Intent to Successful Vendors (subject to Board Approval)	May 28, 2013	CPSM
Notification to Unsuccessful Vendors	May 30, 2013	CPSM
Board Approval	June 5, 2013	Executive
Client letters	June 10, 2013	Zones

- AHS is providing unsuccessful vendors, who will transition clients, with information to assist staff communications.
- AHS is providing unsuccessful vendors, who will transition clients, with information for staff to provide clients to help alleviate concerns.
- Health Link and Patient Concerns will have key messages to assist with any client concerns.
- An issues management tracking form has been shared with each zone to help evaluate communication and trend/manage issues.
- Transition will begin in June.

Background
In Calgary Zone there are currently 10 home care contracts, and in Edmonton Zone there are 62. Pending successful negotiations, these will be replaced by 13 contracts in total. Contracts in North, Central or South zones are not affected at this time, but they will undergo a similar process in 2014/15.

Current contracts vary in scope, service delivery models, roles and responsibilities, accountability, reporting requirements and service payment. All new contracts will have the same terms and conditions.

Awarding new contracts in Calgary and Edmonton will assist AHS in its ongoing efforts to redesign home care services for seniors, disabled Albertans, and those who require personal care supports at the end of their lives.

Calgary and Edmonton zones will save $18.5 million. The new delivery model ensures taxpayers get the best value out of every health dollar spent. With moving towards a

geographical service delivery, aligning of hourly rates and standard computer operating systems will result in cost savings. These savings will be reinvested back into home care to help align budget with services being delivered.

All current contracts were extended to July 31, 2013 to enable a successful transition. This transition will be supported by an external expert and close working relationships with both the successful and transitioning providers.

Each zone will have five community (in client's home) providers, awarded based on geographic service areas. Calgary will have one congregate (lodge or seniors congregate residence) home care provider and Edmonton will have five congregate home care providers.

The hours of service provided to each client will be a reflection of the AHS case managers assessed need and Client Care Plans.

Most home care clients will not see any change to their provider (see table below). About 10 per cent of Calgary clients and about 30 per cent of Edmonton clients will be transitioned to a new provider. AHS will engage with an external expert to review and provide support to ensure a robust transition plan.

Registered nurses and other health care professionals will continue to provide *complex* home care services in Calgary and Edmonton. These new contracts are for *personal* care supports, nearly all of which is delivered by health care aides.

Home Care Clients per zone (January 2013)

Zone	Total # of home care clients	# home care clients who receive care from a contracted provider	# of home care clients who will transition to a new contracted provider
Calgary	13,013	6,316	1,348
Edmonton	15,447	7,512	4,713

Key Messages

- The care of Albertans is our first concern. Home care clients will continue to receive the care they need.
- Some clients may see a change in provider; we will work very hard to minimize any change for clients.
- Home care will continue to be provided by experienced, qualified staff. Health care staff will assess each client to determine their care needs.
- We have worked with all the successful providers. They are qualified, experienced providers who have a solid record in home care services.
- New contracts will help us move to a geographical service delivery model, align provider hourly rates and standardize services, all of which will result in making sure Albertan's receive the care they need.

- Calgary and Edmonton providers will be accountable to deliver care in defined geographic areas or facilities. This will decrease travel times for health care staff, and reduce costs.

- All providers will be held to the same service standards and accountabilities to ensure high quality care is delivered to every client. Standards include:
    - Providers monitoring care delivery to ensure client needs are met
    - A range of home care services are available to meet client needs
    - Qualified staff are providing clients with the care they need

- The process has ensured taxpayers get the best value out of every health dollar spent.

- Alberta Health Services is grateful to all past, present and future home care providers for their compassion and dedication to providing care to Albertans.

- Alberta Health Services will work closely with clients and their providers during this transition. Monitoring is in place to ensure quality care continues.

- Home care services have steadily increased in the last three years with a 16 per cent growth in Calgary and 17 per cent growth in Edmonton in 2012/13.

Summary of Provider Proposals

Edmonton Zone	Number of Providers
Current provider responded to RFP and awarded home care services	10
Current Provider responded to RFP and not awarded	12
Current provider did not respond to RFP	13
New Provider responded to RFP and not awarded	8

Calgary Zone	Number of Providers
Current provider responded to RFP and awarded home care services	6
Current Provider responded to RFP and not awarded	3
Current provider did not respond to RFP	1
New Provider responded to RFP and not awarded	10

Listing of Providers and Status

Note: Service providers marked with * currently provide both Homecare and Supportive Living services to their clients under contracts with AHS, unless otherwise noted against each provider.

Edmonton Providers/ Proponents	Current Contract Expires	CLE/ Community	Site Based Blended HL and SL	Applied to RFP	Awarded New Contract	Profit or Not for Profit Status
Bayshore HealthCare	31-Jul-13	Community	N	Y	Y	Profit
CBI Home Health	31-Jul-13	Community	N	Y	Y	Profit
Revera Health Services	31-Jul-13	Community	N	Y	Y	Profit
We Care - Edm Franchise	31-Jul-13	Community	N	Y	Y	Profit
Caregivers Home Health Care Inc.	31-Jul-13	Community	N	Y	Y	Profit
Canterbury Foundation	31-Jul-13	CLE	N	Y	Y	Not for Profit
United Active Living	31-Jul-13	CLE	N	Y	Y	Profit
Rosedale Partnership	31-Jul-13	CLE	Y	Y	Y	Profit
Shepherd's Care Foundation	31-Jul-13	CLE	Y	Y	Y	Not for Profit
St. Michaels Health Group	31-Jul-13	CLE	Y	Y	Y	Not for Profit
	31-Jul-13	CLE	Y	Y	N	Profit
	31-Jul-13	CLE	Y	Y	N	Profit
	31-Jul-13	CLE	Y	Y	N	Not for Profit
	31-Jul-13	Community	N	Y	N	Not for Profit
	31-Jul-13	CLE	N	Y	N	Not for Profit
	31-Jul-13	Community	N	Y	N	Profit
	31-Jul-13	CLE	N	Y	N	Profit
	31-Jul-13	CLE	Y	Y	N	Profit
	31-Jul-13	Community	N	Y	N	Profit
	31-Jul-13	CLE	N	Y	N	Not for Profit
	31-Jul-13	Community	N	Y	N	Profit
	31-Jul-13	Community	N	Y	N	Not for Profit
	No current Homecare contract	CLE	Y (SL only)	Y	N	Profit
		Community	N	Y	N	Profit
		Community	N	Y	N	Not for Profit
		Community	N	Y	N	Profit

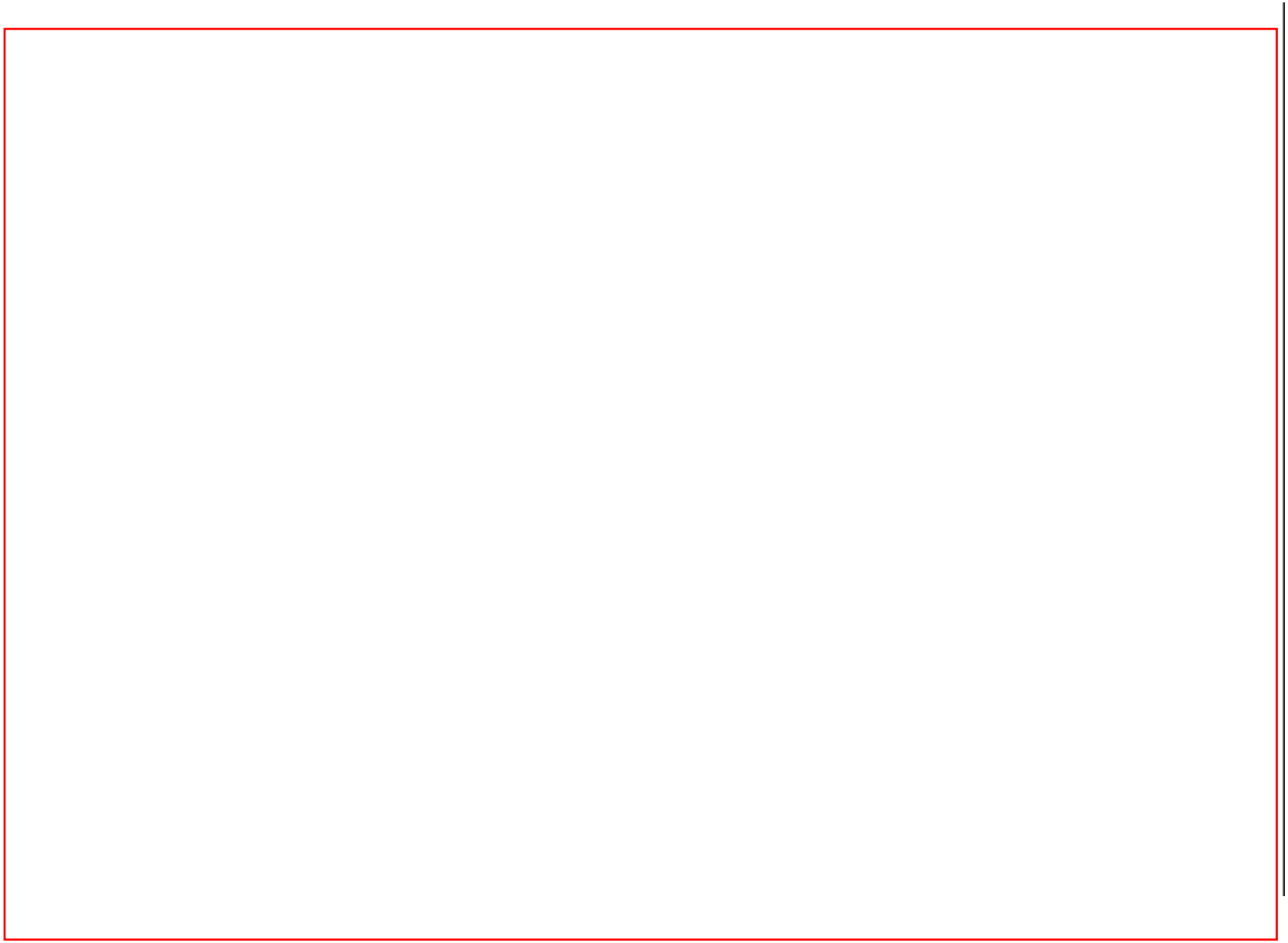
Edmonton Providers/ Proponents	Current Contract Expires	CLE/ Community	Site Based Blended HL and SL	Applied to RFP	Awarded New Contract	Profit or Not for Profit Status
		Community	N	Y	N	Profit
		Community	N (Personal Care Homes and Mental Health but these have no homecare)	Y	N	Not for Profit
	No current Homecare or SL contract	CLE	Y (LTC only)	Y	N	Profit
		Community	N	Y	N	Not for Profit
	31-Jul-13	CLE	N	N	N	
	31-Jul-13	Community	N	N	n/a	
	31-Jul-13	CLE	N (Cancelled SL)	N	N	
	31-Jul-13	CLE	N	N	N	
	31-Jul-13	CLE	Y	N	N	
	31-Jul-13	Community	N	N	N	
	31-Jul-13	Community	N	N	n/a	
	31-Jul-13	Community	N	N	N	
	31-Jul-13	Community	Y	N	n/a	
	31-Jul-13	CLE	N	N	N	
	31-Jul-13	CLE	N	N	N	
	31-Jul-13	CLE	N	N	N	
	31-Jul-13	CLE	Y	N	N	

Edmonton Providers/ Proponents	Current Contract Expires	CLE/ Community	Site Based Blended HL and SL	Applied to RFP	Awarded New Contract	Profit or Not for Profit Status
Calgary Providers/Proponents	**Current Contract Expires**	**CLE/ Community**	**Integrated Services?**	**Applied to RFP**	**Awarded New Contract**	
Bayshore Healthcare	31-Jul-13	Community	N	Y	Y	Profit
CBI Home Health	31-Jul-13	Community	N	Y	Y	Profit
Classic Lifecare	31-Jul-13	Community	N	Y	Y	Profit
Revera Health Services	31-Jul-13	Community	N	Y	Y	Profit
We Care - Calgary o/a Dignity Health	31-Jul-13	Community	N	Y	Y	Profit
Diversicare	31-Jul-13	CLE	N	Y	Y	Profit
	31-Jul-13	Community	N	Y	N	Not for Profit
	31-Jul-13	Community	N	Y	N	Not for Profit
	31-Jul-13	Community	N	Y	N	Not for Profit
		CLE	N	Y	N	Profit
		CLE	N (1 integrated site. Site was not included in their current proposal)	Y	N	Profit
		Community	N	Y	N	Profit
		CLE	N	Y	N	Profit
		Community	N	Y	N	Profit
		Community	N	Y	N	Not for Profit
		Community	N	Y	N	Profit
		Community	N	Y	N	Profit
		Community	N	Y	N	Profit
		CLE	N	Y	N	Profit
	31-Jul-13	Community	N	N	N	

Listing of Calgary Integrated Service Providers

Provider Name
1. 589184 Alberta Ltd. and Condominium Corporation No. O213383 (Origian) o/a Whitehorn Village Retirement Community
2. Chartwell Mastercare LP
3. Encharis Management and Support Services
4. Revera Retirement LP
5. Signature Living Corp
6. The Brenda Strafford Foundation Ltd.
7. Triple A Living Communities Inc.
8. Mountain View Seniors' Housing
9. Mosquito Creek Foundation

APPENDIX C: SUMMARY OF PROPOSALS RECEIVED



APPENDIX D: SUMMARY OF UNSUCCESSFUL PROPONENTS FOR CONGREGATE LIVING ENVIRONMENTS

APPENDIX E: MEMO RE CHANGES TO HOMECARE DECISIONS

Date: June 18, 2013

To: ***Senior leaders (please cascade as appropriate)***

From: David O'Brien, Senior Vice President, Primary and Community Care
Dr. Richard Lewanczuk, Senior Medical Director, Primary and Community Care

RE: Changes to recent palliative, home care and continuing care decisions

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Alberta Health Services is reversing some recent decisions regarding palliative, home care and continuing care placements to ensure access and quality of care is not negatively affected.

AHS President and CEO Dr. Chris Eagle announced today that AHS has reversed a decision to cancel home care contracts with three Edmonton-based supportive living cooperatives – Abbey Road Housing Co-operative, Artspace Housing Co-operative and Creekside Support Services – recognizing the unique care they provide.

The "first available bed" policy, which required continuing care residents to accept a placement up to 100 kilometres of their home, has also been withdrawn. In the meantime, zones will continue to follow their current practices while the process is reviewed.

We will continue with the agreement reached with 13 home care providers to provide care and support to Calgary and Edmonton clients as home care services expand. We will work with the providers to see if there is an ongoing role for current providers who provide specialized services.

We will also look at opportunities to allow home care services for specialized and high-needs client groups in the community to continue unchanged; and, address the impact of changes to palliative home care services to ensure access and quality of care.

AHS is moving quickly to make changes that are in the best interest of Albertans; it is also working to expand care in high priority areas, such as home care. That said, it's important to take the necessary time to engage with our communities, and most importantly, ensure that any decisions don't negatively affect access and quality of care.

We will take some time to further engage the community, and seniors, as well as those clients with specialized health care needs. We will ensure our patients will come first. Our focus will remain on our patients and clients, listening to their feedback and working to provide meaningful opportunities for engagement around decisions, where possible.

A news release outlining the changes can be found here.

Process Overview

1. Risk Assessment and Service Delivery Redesign

- ERM and CPSM initiated a complete risk assessment for Home Care contracts in collaboration with Zone Operations and Senior's Care
- Senior's Care together with Zone Operations initiated a working group to look at Home Care redesign that resulted in development of service standards, accountabilities, monitoring parameters, monitoring standards and definition of service hours

2. Market Assessment & Existing Contract Profile

- CPSM then undertook a comprehensive market assessment to segment the providers based on their commercial or non-commercial status, market share, status of staff (union versus non-union) and potential impacts of a competitive process
- Focus group meetings occurred in May and June 2011 in Edmonton, Calgary and the Central Zones. Strategy discussions continued into September 2012.
- The RFP project charter was approved by the Steering Committee in December 2012.
- The following issues were identified for discussion during the process:
  - Market consolidation impacts
  - In-house versus outsourced model
  - Impact of commercial versus not for profit service providers
  - Financial viability of organization
  - Rate setter or rate taker i.e. does AHS want to set the new rates?
- In addition to market assessment, a comprehensive review of exiting contract terms and conditions, rates, financial viability, issues and concerns with providers, difference in service standards, accountabilities, definition of service hours and contract status
- During this analysis phase, AHS contracted with Barb Korabeck from BC to provide strategic advice and input into development of a competitive strategy while incorporating lessons learnt from the BC process she led
- The above analysis was shared with COEC and AH and a strategy for a competitive process was established
- Discussion occurred on each of the points above. There was general agreement that consolidation of providers while maintaining a competitive marketplace was important. At the same time it was decided that AHS would be a rate setter and that as part of the RFP process an urban rate for AHS will be established and competition will be allowed under the cap.

3. Establishment of Home Care Competitive Process Steering & Working Committee

- Once the decision to proceed to a competitive process was made, a steering committee was established to guide the process
- Members of the Steering Committee were:
  - Mike Conroy
  - Brenda Huband
  - Jitendra Prasad
  - David O'Brien
  - Jeremy Bruce
  - Lara Check
  - Ernie Clarke
  - Other Operations members were added as the process progressed
- The steering committee met weekly to establish the process, RFP specifications, rates, evaluation methodology, etc and provided overall guidance.
- Zone based working groups were also established

4. Engagement with Internal and External Stakeholders

- While the above activities occurred there was ongoing engagement with existing vendors, ACCA, Home Care Association and AH on AHS plans for Home Care.
- There was agreement that the RFP would not be released in December, that providers would be given at least 6 weeks' notice prior to the release date of the RFP and that at a minimum they would be provided 3 weeks to respond.
- Discussion also occurred at the Continuing Care Collaborative so that all parties were on the same page
- Individual letters were sent to all providers who had homecare contracts with AHS advising them of the above
- No commitments were made to maintaining the current level of providers
- All parties had an opportunity to review and provide input into the Master Service Agreement, Accountabilities, Service standards, etc.

5. Retention of a Fairness Monitor

- Recognizing the public attention this process would generate, CPSM retained an external fairness monitor from RFP Solutions; an Ottawa based public procurement organization, specializing in providing this service in January 2013. The same organization also provides fairness advice to GOA on some of their large procurement initiatives.
- The fairness monitor attended all Steering and Working Group meetings, provided advice on the evaluation methodology and all other matters related to the procurement process
- They also attended all evaluation meetings, reviewed and validated evaluation results, participated and provided advice during the short listing process. They were engaged up till the time that final recommended providers were finalized

6. RFP Process

- RFP evaluation was structured in such a way so as to have different stage gates for qualification to the next level of evaluation until a short list was finalized:
  - Stage I - Mandatory Criteria (see below)
  - Stage II
    - Technical Review - Ability to provide services which included things such as ability to meet accountabilities, hire and retain staff, transition capability, technology, innovation, etc (see below)
    - Financial Viability Assessments (see below)
  - Stage III – Price competiveness assessment and scenario modeling (see below)
  - Stage IV – Recommended Providers
- 1 week after release of RFP, a proponent information session was held. Over 90 providers participated. Communications and the Fairness Monitor also attended. No major concerns were expressed and the messaging that this was a competitive process was very clearly communicated to everyone
- During the course of the RFP, over 100 questions were received. Timely responses were posted to the APC website for all questions.
- On closing of the RFP (February 28, 2013), CPSM opened all the proposals, reviewed for compliance to mandatory criteria (Stage I).
- Proposals were then sent to evaluation teams in Edmonton and Calgary for review and scoring. Each Zone scored their own proposals and all the results were summarized.
- A minimum score of 70 on the Technical Criteria was established to qualify from Stage II to Stage III of the process. This was published in the RFP.
- Proposals that met the mandatory requirements were evaluated for financial viability. A minimum score of [redacted] was established for proponents to move through to Stage III.
- At this stage providers were shortlisted and various models based on different distribution levels of hours was created and presented to the Zones for review.
- After a few meetings the recommended models were finalized leading up to the confirmation of a recommendation. During this phase the viability of the transition plan, ability to recruit and train staff and competitiveness of the rate per hour was also evaluated in some details. All models were validated by different levels of Operations staff with final approval at Steering Committee.
- Finance then created the corresponding financial and budget models out the recommended model.
- The recommendation was then presented to the Major Contracts Oversight Committee (MCOC) at two meetings, after which approval was provided to send a communications briefing note to AH.
- It was recommended that we retain an external expert to review and validate our transition plans. Barb Korabeck was retained to review and validate all transition plans. She has been doing over the last 4 weeks.

- Results were finalized after receiving approval from AH. Given that two contracts would require Board approval, recommendations were presented to Audit & Finance Committee and to the public Board meeting on June 7, 2013.
- Once approvals were received, implementation and transition planning began with the successful vendors.

Evaluation Criteria

The following criteria are presented in the order in which they were evaluated.

A. Stage 1 - Mandatory Requirements

All mandatory criteria had to be met to move to the next level of assessment.

Mandatory Requirements
Declaration (**Section 9, Response Workbook**) has been completed and signed by the Proponent in accordance the instructions contained in that form.
Statement of Full Disclosure and Conflict of Interest Declaration **(Section 8, Response Workbook)** has been completed and signed by the Proponent in accordance with the instructions contained in that form.
Pricing Response form included with submission and proposed rates do not exceed prescribed maximums **(Section 6, Response Workbook).**
Congregate Living Environment Proposals meet the licensing, staffing, service and size requirements as described in Section 7 of Schedule C to the Form of Agreement, and current Supportive Living License is included with submission (**Section 4, Response Workbook**). Note: Services must be provided and performed only by employees or personnel of the applicable Congregate Living Environment facility and may not be sub-contracted out to third party providers.

B. Stage 2 - Rated Criteria

A minimum score of 70 is required in this area to move to the next level of assessment.

Evaluation Committees were formed for each zone. The committees scored each proponent on the following attributes using a consistent methodology. The rated criteria was disclosed in the RFP Response Workbook and described in detail. The rated criteria were:

Rated Criteria Category	Category Points Available
1. Corporate Profile and Quality Assurance Considered Corporate Profile, Quality Assurance and Accreditation.	10

2. Service Delivery Considered service requests, IT systems, client referral, supervision, scheduling, service monitoring and care plan.	30
3. Staffing and Sustainability Considered care staff, supervisory staff, job descriptions and certifications, human resources, training and education, client matching and Palliative /Pediatric staff.	35
4. Transition Plan Considered the communication plan, continuity of care, previous transitions, training, timelines and roles.	15
5. Innovation	10
TOTAL POINTS AVAILABLE	**100**

C. Financial Viability Criteria

A minimum score of [redacted] is required in this area to move to the next level of assessment.

The financial viability assessment was conducted by the Financial Planning group. The financial statements submitted by each proponent were reviewed and scored against the criteria listed in the table below. A minimum score of [redacted] was required to consider the proponent as financially viable.

Rated Criteria Category	Category Points Available
1. Completeness of Financial Statements Considered whether the financial statements included a balance sheet, income statement, cash flow statement and notes to the financial statement.	10
2. Quality and assurance of financial statements provided Considered factors such as whether or not the financial statements were audited. Unaudited financial statements were scored lowest and audited financial statements that were accompanied by management's discussion and analysis (MD&A) were scored highest.	20
3. Ratio Analysis Ratios were calculated and analyzed to assess the viability of the proponent. The following ratios were included in the analysis: • Current ratio (current assets/ current liabilities) • Acid Test ratio (current assets less inventory and prepaid expenses/ total current liabilities) • Operating Cash Flow ratio (cash flow from operations/ current	70

Rated Criteria Category	Category Points Available
liabilities) • Profit Margin (earnings before interest and tax/ total revenue) • Return on Assets (earnings before interest and tax/ total assets) • Debt Ratio (Total debt/ total assets)	

The same template was used for all proponents regardless of their nature of business (REIT, Nof-For-Profit etc) or the basis of preparation of the financial statements (PSAS, IFRS etc). Finance added commentary on these and other subjective issues to assist the Steering Committee assess whether or not a proponent was viable. The notes included such questions as whether or not include the financial statements of the parent company. Finance was not involved in the eventual decision making related to the qualitative issues they raised in their analysis.

D. Stage 3 - Price Competitiveness Assessment and Scenario Modeling

This stage involved modeling various scenarios. AHS made it clear in the RFP in Section 4(a)(i) that "AHS intends that only one (1) Proponent will be selected and have the opportunity to negotiate a Definitive Agreement for each Community Setting GSA, Pediatric GSA CALZ20 (Calgary) and Palliative GSA CALZ19 (Calgary). Multiple Proponents may be selected for the Pediatric GSA EDMZ15 (Edmonton)."

All Congregate Living Environment proponents who passed the technical and financial evaluations were included in the list of selected proponents. There were 5 in Edmonton and 1 in Calgary. The volumes for these Congregate operators were then removed from the GSA and the balance awarded to a Community service provider based on various elaborate models that were developed jointly by CPSM and the Steering Committee. The RFP Steering Committee followed the following principles, which were defined in the RFP, to ensure that the selection process was fair:

i) Service Delivery Considerations

- Aging in place
- Acute care avoidance
- Continuity of care

ii) Service Capacity

- Congregate Living Environment Proposals and impact on GSA Service Capacity
- Proponent Service Capacity and alignment of Zone Service Capacity, and individual GSA Service Capacity

iii) Pricing and Other Efficiencies

- Proposed rates and discount to maximum rate
- Volume and/or tiered discounts

iv) Preference Ranking

- Proponents GSA Preference Ranking

The committee created models projecting various scenarios to allocate the remaining hours. Below are some examples of the models that were considered:

- Option to award to the minimum number of providers
- Option to award to the best proposed pricing
- Option to award based on continuity of care and least transition

Eventually the committee selected a model that they felt would ensure minimal transition for clients and resulted in conservative recruitment needs for the providers, while also offering opportunities for innovation.

APPENDIX G: HOME CARE RFP SCORING GUIDE

Rated Criteria - General Scoring Instructions:

Scoring (0-5 scale): Responses to each Rated Criteria are to be scored on a 0-5 scale using the Scoring spreadsheet (provided separately). CPSM will combine and average the scores from all Evaluators, apply the weighting factor to arrive at the final Category score, and then calculate the Overall Total score for each Proposal.

Scoring Rubric

5 Excellent	4 Very Good	3 Good	2 Fair	1 Poor or Incomplete	0 Failed or Missed
Meets desired evaluation criteria extremely well	Meets the evaluation criteria, very well	Meets the evaluation criteria, just enough	Minimally meets the evaluation criteria, poorly	Does not sufficiently meet the evaluation criteria or determination cannot be made for lack of information	Proposal does not include a response to specific requirement.
Very comprehensive, excellent reply that meets all of the requirements	Response is well thought out and addresses all the requirements in the RFP	Response is sufficient but not remarkable	Response demonstrates the potential ability to comply with guidelines, parameters and requirements, but uncertainty exists	Response has not demonstrated knowledge of the subject matter	Response provides a response that is irrelevant or substantially incomplete
Response clearly demonstrates the Proponent's authoritative knowledge and understanding of the project and subject matter	Provides useful information. Response demonstrates insight into Proponent's expertise, knowledge and understanding of the subject matter	Thorough knowledge and understanding of the subject matter. Response demonstrates an average competency or performance with no apparent deficiencies noted			

- Scoring is to be done with reference strictly to the Criteria and not with reference to responses from other Proponents. This may be hard as the day goes on and you read multiple replies, but score relative to the Criteria using the scoring guidelines below to assist.

- Evaluators may discuss responses amongst but should then score independently.
- **IMPORTANT** – In anticipation of Proponent debriefs and Background Briefing note, as you score, please make any comments on areas where you find a Response is notably weak and/or strong, using the sheets provided (don't forget to label with proponent name at top of page). It is important to have feedback from the committee to pass along to Vendors at debriefs. CPSM will only pass along comments as appropriate to aid a Vendor in preparing future submissions and/or understanding where their submission excelled/fell short.

RFP Section	Crit. Wt (1-3)	Scoring Guide – Elements to consider / look for in a response
1. Corporate Profile & Experience (10 pts)		

a) **Corporate Profile**

(i) **Corporate Documentation**. Proponents should attach the following documentation.

- Certificate of Incorporation if applicable, or a brief description of how the Proponent is legally established.
- Insurance documents, including Workers Compensation.
- Current Supportive Living License (Congregate Living Environment owner/operators only).

****

(ii) **Ownership structure.** Proponents should provide a brief executive level summary of their ownership structure and corporate organization, including as applicable the names of proprietors, partners, officers, principals of the firm and major shareholders.

Proponents should include an Org Chart in their response.

RFP Section	Crit. Wt (1-3)	Scoring Guide – Elements to consider / look for in a response
**********		
(iii) **Corporate Vision and Mission.** Proponents should briefly describe their understanding of Home Care, and its role in fulfilling the AHS goals of providing quality, accessible and sustainable healthcare to Albertans. Proponents should provide their Mission or Vision Statement, if available, with a brief summary of how, in tangible and specific ways, they incorporate the goals and values of their statement into the delivery of services.		
**********		
(iv) **Expertise and Experience**. Briefly highlight your firm's areas of practice and expertise; indicate items that demonstrate a high level of credibility such as certifications and industry awards. Provide a high level summary of current home care services provided by your firm, including where services are provided and details on Client profile. Provide the number of years you have been providing such services. Provide details of your organization's capabilities that distinguish it in the marketplace in meeting the service requirements in Schedule A.		

RFP Section	Crit. Wt (1-3)	Scoring Guide – Elements to consider / look for in a response
b) **Quality Assurance** ***(Page Limit: 5)*** (i) **Occupational Health, Safety and Wellness Program**. Describe any policies/procedures that are in place within your organization with respect to Occupational Health, Safety and Wellness and that demonstrate compliance with the Occupational Health and Safety Act. Proponents should address in their response any policies/procedures with respect to the following, and include any applicable policy documents in their response: • Infection Prevention and Control; • Smoking; • Needlestick injuries; • Standard precautions; • Non-violent crisis intervention; • Safe driving; • Back care – lifting/transferring;		

RFP Section	Crit. Wt (1-3)	Scoring Guide – Elements to consider / look for in a response
• Immunization; • Staff flu vaccinations; • TB testing; • WHMIS • Working alone • Establishing professional boundaries Describe the process in place to educate staff on these policies and procedures. Does your organization have an Occupational Health, Safety and Wellness Committee? Provide details on structure and scheduled meetings. Attach the Terms of Reference document if applicable. ********** (ii) **Client Information and Confidentiality.** Describe the processes used by your organization to manage Client information. Proponents should address measures in place to ensure information will be protected and only used in the interests of providing effective Client care. Include any relevant policies and procedures describing how your organization protects Client confidentiality and meets the requirements of *HIA (Health Information Act) and FOIPP (Freedom of Information Protection Privacy)*. Proponents should provide details on the topics below and describe any processes in place to communicate the following policies and procedures to staff: • Collection of Health Information; • Protection of Collected Health Information (i.e. storage, transmitting and disposal, and information with caregivers when travelling); • Use and Sharing of Health Information; • Providing Access to Health Information;		

RFP Section	Crit. Wt (1-3)	Scoring Guide – Elements to consider / look for in a response
• Policy/procedures outlining the process when a HIA breach occurs. Identify the number of HIA breaches your organization had during the most recent one-year period (If your organization had no HIA breaches, please indicate). Describe the nature of the breaches and the follow-up done by your organization to address the root cause(s) of the breaches. ********** **Business Continuity**. Describe any policies/procedures/guidelines that are in place within your organization with respect to emergency preparedness (i.e. fire, flood, bomb threat, disease outbreaks, severe weather etc) to ensure coverage of staff positions and continuity of Services, and in particular critical Services, to Clients. Proponents should describe how they will ensure continuity of Services in the event of labour disruption. Proponents should include documented Business Continuity plans. Proponents should include any policy documents in their response and describe the process in place to communicate these policies and procedures to staff. c) **Accreditation** ***(Page Limit: 1)*** AHS is moving toward a requirement for all of its home care providers to be accredited. Please describe your accreditation status and with which accrediting organization. If not accredited, include your organizations plan to		

RFP Section	Crit. Wt (1-3)	Scoring Guide – Elements to consider / look for in a response

achieve accreditation.

2. Service Delivery (30 pts)

a) Service Requests - Communication and Accessibility.*(Page Limit: 5)*

Proponents should provide details on their communication and accessibility processes for service requests. It is the expectation of AHS that Service Providers are accessible 24 hours/day, 365 days per year. AHS considers regular business hours for the purposes of this engagement to be between the hours of 0700 and 2200.

Proponents should provide details addressing the points below, and ensure that the response addresses both regular office hours when staff are on-site and after hours (evenings, weekends, statutory holidays).

i) Describe the communication system you will use to handle service requests, including details such as:

- Systems and/or processes in place to ensure that calls at any time of day are received and responded to in a timely manner. Discuss call-back response time and provide evidence if available.
- Standards your organization has established for call answer times (e.g. number of rings). Discuss standards for regular business hours, and

RFP Section	Crit. Wt (1-3)	Scoring Guide – Elements to consider / look for in a response
after regular business hours (evenings, weekends, and holidays). • Accessibility after regular business hours. Is the contact process the same as during regular business hours? • Your organization's voicemail system. (i.e. does a caller need to know the extension of the specific person they are trying to reach in order to leave a voicemail in that person's mailbox?) • Back-up procedures that your organization has in place to remain accessible to AHS, Clients, other caregivers in the event of technical/technology difficulties (e.g. phone, voicemail, computer). Include information about access to technical support staff. • Your organization's process for responding to crisis/issues after regular business hours. • Dispute/resolution process when there is a discrepancy between a service request and the service implemented. ii) Describe the communication system for caregiver staff and other employees, including details such as: • How your employees can be contacted. • Employee access to communications equipment. • Does your organization provide communications equipment to your employees? iii) Data Capture: Describe any data features of your communication system (GPS Tracking, Real-Time delivery of Services etc.) and how these will be used in providing Services. Provide a detailed description of your on-call structure.		
b) IT Systems. ***(Page Limit: 2)***		

RFP Section	Crit. Wt (1-3)	Scoring Guide – Elements to consider / look for in a response
In Calgary AHS currently uses Stratahealth HomeFirst software, a web based service authorization system to refer Clients, to track attendance and service delivery, and for billing purposes. In Edmonton a web-based system is not currently in place but may be implemented in the future. Describe your organizations IT capabilities and how your organization will integrate into a web-based automated system as described above. Provide your IT system's location, including data storage, and any IT system support capacity, either internal or 3rd party, which your organization uses. (Proponents should note that there are privacy legislation requirements with respect to Client information, including data storage within Canadian borders.) For Proponents who may not currently have a system in place that can integrate with a web-based system, provide a brief summary of steps your organization will take to work with AHS and bring a system on-line. **c) Client Referral and Commencement of Services.** ***(Page Limit: 4)*** For each item below, describe your organization's policies/procedures and guidelines to ensure quality care with respect to Client referral and commencement of Services. Include details on how you monitor this in your organization, and follow-up processes when issues are identified, including accepting and then subsequent inability to meet a service request. i) Prioritization of Service referrals that come from AHS, other organizations, and private individuals. ii) Referrals and commencement - regular business hours: • Describe your organization's procedure for accepting referrals, between the hours of 0700 and 2200 when staff are on site to ensure the required staffing are available.		

RFP Section	Crit. Wt (1-3)	Scoring Guide – Elements to consider / look for in a response
• Describe your organization's process to initiate the commencement of Services between the hours of 0700 and 2200: o Four (4) hours or less o within twenty-four (24) hours iii) Referrals and commencement - overnight: • Describe your organization's process for accepting referrals between the hours of 2200 and 0700. • Describe your organization's process to initiate the commencement of Services the hours of 2200 and 0700: o Four (4) hours or less o within twenty-four (24) hours iv) Referrals and commencement – weekends and holidays: • Describe your organization's process for accepting referrals on weekends and statutory holidays. • Describe your organization's process to initiate the commencement of Services on weekends and statutory holidays: o Four (4) hours or less o within twenty-four (24) hours v) Provide details on how your organization will meet the minimum Performance Objectives as described in the Form of Agreement. vi) Service Metrics: Proponents should provide any service metrics they have on referral acceptance, such as decline rates, average wait time to start services following a service request, and other relevant metrics. **d) Supervision** ***(Page Limit: 2)*** • Describe your organization's clinical supervision of staff providing Client		

RFP Section	Crit. Wt (1-3)	Scoring Guide – Elements to consider / look for in a response
care. Proponents should include in their response: • Availability/ accessibility of supervisors to staff providing care as well as AHS staff. • Standards of supervision (e.g. frequency of home visits done with care provider to assess their skills and abilities, scheduled care delivery assessment reviews.) • Monitoring the adequacy of supervision • any supervisory back-up procedures and policies in place. **e) Scheduling and Continuity of Care (Page Limit: 4)** i) Describe your organizations process and policy for: • • • ii) Describe your organization's process for continuity of care in the event a caregiver calls in sick, has a personal emergency, or has any other reason for absence during: • • iii) iv)		

RFP Section	Crit. Wt (1-3)	Scoring Guide – Elements to consider / look for in a response
f) Service Monitoring and Missed Visits. ***(Page Limit: 4)*** i) Service Monitoring: Describe the system in place at your organization to collect and track the provision of Services to Clients. Proponents should include details on: • the process for ensuring your staff provides the care hours requested by AHS. • how your organization uses this data for future planning and care delivery. ii) Missed Visits. Missed visits may include but are not limited to those occasions when a Client is unavailable to receive scheduled Services or the caregiver fails to deliver the scheduled Services. Provide details on: • the process for keeping track of missed visits and the type of Services that were not provided (i.e. daily services, medication management, in and out catheterization, and bowel routine, required services, services to high risk Clients); • Internal communications between caregivers and supervisory staff with respect to missed visits and any escalation process when important/critical Services not provided; • actions to remedy missed visits; • the proposed communication process to notify AHS of missed visits and other interruptions to Client care (i.e. Client cancelled visits), ensuring alignment with the accountability requirements of the Form of Agreement. **g) Care Plan: Practice Standards and Documentation.** ***(Page Limit: 4)*** For each point below, describe the practice standards used by your organization to ensure quality care. Proponents should include in their		

RFP Section	Crit. Wt (1-3)	Scoring Guide – Elements to consider / look for in a response
response documentation and charting standards, how adherence to the care plan is monitored, and follow-up processes when issues are identified. i) Client care. • Basic personal care of Clients; • Developing rapport with Clients; • Complex tasks to health care providers, working to the full scope of practice; • Lifting and transferring of Clients; • Use of health-related equipment for Client care (i.e. application/ removal of orthopaedic devices, emptying urinary catheter bags and ostomy bags, g-tube feeds, oral suction, ventilator/tracheal suctioning etc.) ii) Medication Administration and Medication Assistance. iii) Assignment of Restricted Activities, working to full scope of practice. In addition, Proponents should include details on any policy/procedure or guidelines with respect to Client preferences in the delivery of Services specified in the Care Plan.		

RFP Section	Crit. Wt (1-3)	Scoring Guide – Elements to consider / look for in a response

RFP Section	Crit. Wt (1-3)	Scoring Guide – Elements to consider / look for in a response
h) Incident Management. ***(Page Limit: 2)*** AHS has accountability and reporting requirements with respect to Client safety incidents. Provide a detailed description of how Client safety incidents in your organization are reported, investigated, tracked, and followed-up, and the communication process that would be used to notify AHS. Provide an example of how a recent Client safety incident was handled by your organization. Also include specifics of any trending analyses conducted. Ensure that your response includes a description of how medication errors are handled. **i) Client Rights and Relations.** ***(Page Limit: 4)*** i) Client Rights: Describe any policies/procedures/guidelines that are in place within your organization with respect to the rights of Clients, specifically with respect to, autonomy and dignity. Proponents should include any policy documents in their response, and describe the process in place to educate staff on these policies and procedures. ii) Client Satisfaction: Describe processes in place with respect to monitoring Client satisfaction. Include details on any Client survey processes in place (or proposed), when surveys are carried out, response rates, a copy of Client survey form, and at least one example of a response or sample response to the survey (any information deemed to be confidential, including information that would identify the Client, should be blacked out). Provide details on follow-up procedures with respect to		

RFP Section	Crit. Wt (1-3)	Scoring Guide – Elements to consider / look for in a response
monitoring Client satisfaction. iii) Client and Family Concerns: Describe how your organization responds to specific concerns from Clients or family and other informal caregivers. Please provide an example of your organizations response to such a concern (any information deemed to be confidential, including information that would identify the Client, should be removed). iv) Challenging Situations: What is your organization's policies/procedures and guidelines for addressing challenging or difficult situations involving Clients. Please provide an example of how such a situation was successfully resolved (any information deemed to be confidential, including information that would identify the Client, should be removed). **j) Communications and Relations with AHS.** ***(Page Limit: 4)*** AHS has specific accountability and reporting requirements that are detailed in the Form of Agreement and which Proponents have been asked to addressed in their responses to other Rated Criteria. From a broader perspective: i) Address your organization's procedures or guidelines on the communication process with AHS staff and how you propose to maintain and build relationships with AHS staff. Address this item at all levels of your organization. Proponents should include their understanding of the		

RFP Section	Crit. Wt (1-3)	Scoring Guide – Elements to consider / look for in a response
role of the Case Manager, and how communication and relationships with the Case Manager are to be handled. ii) Describe your organization's proposed procedures or guidelines for addressing concerns and complaints arising from AHS staff. Include discussion of response time and escalation processes, with specifics on senior management individuals who will respond to the escalation of issues and provide management oversight. **3. Staffing (35 pts)** **a) Care Staff** **(*Page Limit: 8*)** i) Care Staff Complement: Please complete the table below with the current number of staff in your organization that directly deliver home care services and will be available to provide Services to AHS Clients pursuant to this RFP. **TABLE** • Resource dedication: Describe any commitments staff in the table above may have for services to organizations other than AHS, broken down by position (HCA, LPN, RN, other) and the organizations you currently provide services (i.e. WCB, private care). Describe how you plan to manage and prioritize Services to AHS in the event your firm is successfully awarded their full requested Service Capacity per your Section 7 Service Area Response. • HCAs - Casual: Please provide details on: ○ How your firm defines employment status of casual versus part-time HCAs. ○ Any minimum guaranteed hours of work for casual HCAs (i.e. hours/week).		

RFP Section	Crit. Wt (1-3)	Scoring Guide – Elements to consider / look for in a response
○ Availability commitments from casual HCAs (i.e. hours/week) ii) Current Service Capacity: In the table below, provide the service capacity for current care staff, using total annual hours of care service delivered by the employees listed in Table 1 in the last year (fiscal or calendar). For the purposes of completing the table, one FTE is deemed to be 40 hours/week. *AHS will use the figures provided in the tables 1 and 2 to calculate the hours of service per employee at each position by employment status.* **TABLE** iii) Proposed Service Capacity: Proposed Annual Service Hours *(from Section 7 "Service Area Response")* Proponents should provide details on how they will meet the proposed Service delivery hours in their Section 7 response. Proponents who are proposing greater Service hours than they currently provide should describe how they will meet this new Service delivery demand. If your Proposed approach includes recruitment to your care staffing complement, provide details on how you will ensure that new care staff are in place to ensure timeline and transition requirements are met. **B) Supervisory, Administrative and Other staff *(Page Limit: 3)*** i) Staff Complement: Please complete the table below with the current		

RFP Section	Crit. Wt (1-3)	Scoring Guide – Elements to consider / look for in a response
number of supervisory, administrative and other staff in your organization, by position. **TABLE** ii) Care staff supervision: Describe the professional designation of supervisors and operation managers, and the number of care staff they actively supervise. iii) Proposed Capacity: If your proposed Services will require an increase in your supervisory, administrative and other staff, describe the nature of this additional staff complement, and how you propose to have this staff in place to ensure timeline and transition requirements are met. **C) Job Descriptions and Certification** ***(Page Limit: 3)*** Please provide concise job descriptions your organization uses for the following positions. Include any required certifications. • RN • LPN • Certified Health Care Aide • Non-Certified Health Care Aide Proponents should provide any policies/procedures in place to ensure that regulated staff have all current licensing/registration/certification requirements to meet the position qualifications.		

RFP Section	Crit. Wt (1-3)	Scoring Guide – Elements to consider / look for in a response
d) Human Resources ***(Page Limit: 5)***		

i) Recruitment. Describe your strategies for staff recruitment, including details on established relationships with Educational institutions, recruitment agencies etc., and how your organization responds to recruitment challenges (labour force shortages, challenging situations, and rural or hard to serve geographic areas if applicable). Describe any criminal record check processes done as part of your hiring process.

ii) Orientation. Please provide details on your staff orientation process (provide sample copies of outline if possible, max. 1 page).

iii) Employee Performance. Describe how you monitor and evaluate job performance, and the scheduling of evaluations (i.e. probationary, annual, or as necessary)? Should a deficiency be identified, please describe how that is addressed.

iv) Retention and Turnover. Describe your organizations staff retention strategies. Include details on how you manage turnover as part of your human resources strategy, responses to labour shortages, and major changes in the economy.

Provide details on your current annual turnover rate, and historical trends in turnover for care and supervisory staff. Discuss exit survey or exit interview procedures in place, any summary trend findings in reasons for leaving, and how your organization has responded to address any findings to reduce turnover.

RFP Section	Crit. Wt (1-3)	Scoring Guide – Elements to consider / look for in a response

e) Training and Education ***(Page Limit: 5)***

i) Describe training, educational programs and educational opportunities available to staff, and whether they are provided directly by the Proponent to staff, or at employee's expense. Indicate any initiatives in place to encourage staff learning and education.

ii) Please complete the table below, indicate training or educational programs provided to staff at Proponents expense, whether they are Mandatory for care staff, timeline of any required refresher/upgrade sessions and the percentage of current health care aides that have taken the training.

TABLE

f) Client Matching and Diversity ***(Page Limit: 2)***

It is the expectation of AHS that the needs of the Client will be a major factor in determining staff assigned to provide care service and that a positive relationship between the individual care provider and Client is critical. Continuity of care with respect to a consistent care provider assigned to an individual Client is a critical factor in the successful delivery of Home Care Services.

i) Describe how your organization matches the care giver to the specific needs of the Client. What are your processes for taking into consideration

RFP Section	Crit. Wt (1-3)	Scoring Guide – Elements to consider / look for in a response
(e.g. gender, ethnicity, religious and political beliefs) including the process for matching these Client requirements to the appropriate caregiver? ii) Describe your organization's policy/procedure or guidelines with respect to maintaining continuity of care staff assigned to Clients. **g) Palliative / Pediatric Staff** ***(Page Limit: 2)*** (for Proponents applying for GSAs: CALZ19, CALZ20 and EDMZ15) Proponents who have indicated they wish to be considered for the specific Palliative and/or Pediatric Geographic Service Areas should provide details on care staff and supervision of care staff specific to these areas, including such details as number and nature of staff, certifications, training requirements, etc. **4. Transition Plan (15)** **a) Transition Plan – Executive Summary** ***(Page Limit: 4)*** Provide a brief executive level summary of your organization's transition plan to ensure seamless care delivery to Clients, including discussion on collaboration with the existing service provider(s), AHS and Clients; include anticipated timelines/milestones for full transition.		

RFP Section	Crit. Wt (1-3)	Scoring Guide – Elements to consider / look for in a response
b) Communication Plan ***(Page Limit: 1)*** Provide details on how you will handle communication with Clients, the existing service provider(s) and staff, and AHS staff during the transition period. Proponents should discuss in their response how they will anticipate and communicate issues or concerns that may arise, particularly with respect to the Clients. **c) Continuity of Care** ***(Page Limit: 1)*** Provide details on your transition plan with respect to ensuring continuity of care for Clients. Proponents should discuss in their response the Client care plan and care plan documentation, matching of care giver to Client, scheduling, and other relevant factors that will ensure a smooth transition and maintenance of quality service. **d) Previous Transitions** ***(Page Limit: 1)*** Proponents should detail any prior experience they have as an organization in transitioning service from a former provider, highlighting areas of success, and any challenges and risks encountered and how those were handled. **e) Training** ***(Page Limit: 1)*** Proponents should detail any specific measures with respect to training of staff on issues specific to the transition period. Include if applicable HCA's, RNs, LPNs supervisors, scheduling and service coordinators.		

RFP Section	Crit. Wt (1-3)	Scoring Guide – Elements to consider / look for in a response
f) Timelines and Risks ***(Page Limit: 1)*** AHS anticipates a 4 month transition period. Proponents should provide details on the timeline they proposed in a) above, with milestones leading towards full transition by the end of the transition period. Include a discussion on any risks to meeting the timeline and proposed mitigation strategies. **g) Roles** ***(Page Limit: 1)*** Provide a brief summary of the role that you see each of the following playing in the transition period, and how: • Your organization • AHS • Existing Provider **5. Innovation (10 pts)** **Innovation** ***(Page Limit: 3)*** AHS continually seeks to improve and enhance the quality of health care provided to Albertans, and may during the course of the agreement pilot service delivery methods and/or make changes to the Service Delivery Model to improve the quality, accessibility, sustainability and efficiency of Home Care Services. Proponents who currently provide or are proposing innovative service delivery models that will enhance, streamline, reduce costs while maintaining or improving quality care, or otherwise improve Home Care Service should provide a brief description, including a discussion of benefits, risks, costs and timelines.		

RFP Section	Crit. Wt (1-3)	Scoring Guide – Elements to consider / look for in a response
Proponents who have successfully implemented innovative service delivery models for other organizations should provide a brief description, including details on challenges and outcomes.		

APPENDIX H: SUMMARY OF VENDOR COMPLAINTS

A number of stakeholders including both proponents who submitted proposals in response to the RFP and other stakeholders submitted complaints in response to the outcome of the RFP. The following table summarizes the complainants, their issues and, if proponents, the assessment results of their proposal. The highlighted vendors include those that Internal Audit spoke with during the process of the review.

Complainant	Issue (Written Complaints and Interviews)	Mandatory Criteria (100% required)	Rated Criteria (Minimum 70% required)	Financial Viability (Minimum required)
	The evaluation of their proposal was flawed in that the assessment of their financial viability should have considered financial support of their parent company and did not and was therefore not fair. The vendor debrief was poorly handled.	100%		
	They recommend that site based congregate care operators be provided the first right of refusal to provide these services at the set out in the RFP. Lack of engagement of proponents and stakeholders in the process. They were advised by other RFP participants that they had been contacted prior to bids being closed to negotiate pricing and they were not and that the process was therefore not fair. Integrated sites in Calgary did not have to submit a response to the RFP while sites in Edmonton did and that the process was therefore not fair.	100%		

Complainant	Issue (Written Complaints and Interviews)	Mandatory Criteria (100% required)	Rated Criteria (Minimum 70% required)	Financial Viability (Minimum required)
	AHS was not forthcoming with their intention to reduce the number of service providers as a result of the RFP and, had the vendor known this, they may have changed their RFP submission. Timelines for response to the RFP were too short. No communication with other operators of designated assisted living operations who do not have current home care operations. No consideration of quality of service delivery issues, consistency of care and medication, stability of staffing models, impact on clients and staff. Some operators engaged in letter writing solicitations prior to the RFP process and this is perceived as being material in who ultimately received contracts. They were upset that other service providers that had approached the Premier received preferential treatment and in their view this option should be available to other providers. Overall lack of transparency in the process and result is a lack of trust with AHS. Lack of understanding of the implications of these contracting decisions on client care.			

Complainant	Issue (Written Complaints and Interviews)	Mandatory Criteria (100% required)	Rated Criteria (Minimum 70% required)	Financial Viability (Minimum [redacted] required)
	Negative impact to their operations and significant logistical implications to providing access to their facilities to other service providers.			
[redacted]	Viewed that the process was flawed and the timelines were too tight to do a reasonable response to the RFP. They were advised by other RFP participants that they had been contacted prior to bids being closed to negotiate pricing and they were not and that the process was therefore not fair. They were not given advance notice of the RFP. Some other operations knew the RFP was coming out and wrote letters to AHS to solicit their support. These providers received the contracts. They do not understand why there was a different approach for integrated living facilities in Calgary and Edmonton. Clients will be significantly impacted by the changes which will affect quality of care. Particularly the impact on being able to provide 24 hour care if needed. Will also affect the ability to provide continuity of care to clients as they move from home care to supportive living. They are facing significant union action as a result of having to lay off staff.	100%	[redacted]	[redacted]

Complainant	Issue (Written Complaints and Interviews)	Mandatory Criteria (100% required)	Rated Criteria (Minimum 70% required)	Financial Viability (Minimum required)
	The company has significant concerns with the logistics of having another contractor's staff providing home care services in their facilities.			
	They did not have the flexibility of applying in more than one geographic zone nor were they aware of this as a criteria in the award of the RFP and this put them at a disadvantage against other providers participating in the RFP. They were not treated the same as other owner-operators in the zone as congregate buildings could be applied for separately and were not included in the zone applications while congregate living environments were included in the zone application. They are concerned with the approach of moving away from an integrated model and the impact to clients and the inconsistency with the Aging in place strategy RFP process seemed to be biased to the private sector and promoting cost reduction.	100%		
	Integrated sites in Calgary did not have to submit a response to the RFP while sites in Edmonton did and that the process was therefore not fair. The objective of the RFP was not clearly defined. If they understood that consolidation was a key criteria it would have been possible for them to work with other	100%		

Complainant	Issue (Written Complaints and Interviews)	Mandatory Criteria (100% required)	Rated Criteria (Minimum 70% required)	Financial Viability (Minimum [redacted] required)
	providers to bring another model forward. They did not understand how an integrated service model would not be preferable to an outside service provider providing home care services in their settings. Significant impact to the care of clients - no longer in facility 24 hour access to care providers if needed; lack of continuity of care. Significant logistical issues in allowing another provider to access clients in their facilities.			
[redacted]	AHS was not forthcoming with their intention to reduce the number of service providers as a result of the RFP and, had the vendor known this, they may have changed their RFP submission.	Did not submit a proposal in response to the RFP. Organization represents retirement community operators.		
[redacted]	AHS requires vendors providing services under the RFP in Calgary to use Strata Software yet there had been no competitive process to select this software for use and therefore the requirement to use Strata software is unfair.	Did not submit a proposal in response to the RFP.		
[redacted]	**Note: This issue is addressed in Section 3 of the Report.** A number of providers who were unsuccessful in the RFP process disagreed with the changed service	100%	[redacted]	[redacted]
[redacted]		Did not submit a proposal in response to the RFP.		
		Did not submit a proposal in response to the		

Complainant	Issue (Written Complaints and Interviews)	Mandatory Criteria (100% required)	Rated Criteria (Minimum 70% required)	Financial Viability (Minimum [redacted] required)
[redacted]	delivery model. These Vendors operate congregate living environment and provide site-based homecare services as well as supportive living services to residents of their facilities. These vendors felt that the change to geographically based service providers not located in the facilities would negatively impact their clients and for a variety of other reasons was a poor decision from a service delivery and patient care perspective. They also felt that the Congregated Living Environments in Edmonton were being treated differently from those in Calgary. Timelines to respond to the RFP were too short.	RFP because they did not have the minimum number of clients required.		
[redacted]		Did not submit a proposal in response to the RFP.		
[redacted]		100% [redacted])		[redacted]
[redacted]		Did not submit a proposal in response to the RFP.		
[redacted]		100%	[redacted]	[redacted]

APPENDIX I: APPEAL LETTERS

The following appeals were received by Alberta Health Services related to the Homecare RFP:

1. Email from [redacted] dated June 21, 2013.
   Interview conducted June 25, 2013.

2. Letter from [redacted] dated June 18, 2013.
   Interview conducted June 26, 2013.

3. Letter from [redacted] dated June 21, 2013.
   Interview conducted June 27, 2013.

4. Letter from [redacted] to the Minister of Health dated June 21, 2013.

5. Letter from [redacted] dated June 11, 2013.
   Interview conducted June 27, 2013.

6. Letter from [redacted] dated June 19, 2013.

7. Letter from [redacted] dated June 20, 2013.
   Interview conducted June 27, 2013.

8. Letter from [redacted] to the Minister of Health dated June 20, 2013.

9. Email from [redacted] dated June 19, 2013.

10. Letter from [redacted] dated June 18, 2013.
    Interview scheduled for July 2, 2013.

11. Letter from [redacted] dated to the Minister of Health dated June 20, 2013.

12. Letter from the [redacted] dated June 21, 2013.

13. Letter from [redacted] .

14. Email from [redacted] dated June 19, 2013.

15. Letter from the [redacted] dated June 19, 2013.

16. Letter from [redacted] dated March 7, 2013.

17. Letter from [redacted] dated June 26, 2013.

Copies of all of the above were shared with the Vendor Appeal Panel.