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7 December 2020

9(2)(a)

RE Official information request CDHB 10463

I refer to your email dated 29 October 2020 requesting the following information under the Official Information Act from Canterbury DHB. Specifically:

- all and any reports (including drafts), memos, plans, correspondence for/about proposals for a new primary birthing unit in Rolleston
- and/or central Christchurch prepared by or sent to CDHB board chair, CDHB CE, Norma Campbell, Hector Matthews, Manawhenua Ki Waitaha, Canterbury Clinical Network, New Zealand College of Midwives in the past three years

We are declining to provide the requested information for the past three years, under Section 18(f) of the Official Information Act, as this would entail a substantial amount of work and resources to collate.

Rolleston Primary Birthing Unit

The Selwyn District Council and Canterbury DHB agreed plans in February 2020 to build and fit out an integrated health and social services hub in Rolleston, which includes a Primary Birthing Unit, plus Canterbury DHB community health services.

As a partial response we are providing you with the business case for Selwyn (**Appendix 1**) and associated papers presented to the Canterbury DHB Board and Executive Management Team (EMT) for Selwyn (**Appendix 2**).

Proposed Christchurch Central Primary Birthing Unit

As your request for Christchurch Central relates to a current Request for Proposal (RFP) process, we are partially declining this request due to commercial sensitivities and ongoing negotiations.

Please refer to **Appendix 3** attached, which includes:

The Request for Proposal (RFP) process dated 15 June 2020, paper to QFARC dated 02 June 2020 and the call for Registrations of Interest (ROI) dated 4 November 2019.

Please note we have withheld information that is out of scope and applied redactions under the following sections of the Official Information Act, i.e.

9(2)(a) *"....to protect the privacy of natural persons, including that of deceased natural persons", and*

9(2)(b)(ii) *"....would be likely unreasonably to prejudice the commercial position of the person who is the subject of the information."*

9(2)(i) *"... enable a Minister of the Crown or any public service agency or organisation holding the information to carry out, without prejudice or disadvantage, commercial activities" and*

18(d) *"... that the information requested is or will soon be publicly available."*

I trust this satisfies your interest in this matter.

Please note that this response, or an edited version of this response, may be published on the Canterbury DHB website after your receipt of this response.

Yours sincerely



Ralph La Salle

Acting Executive Director

Planning, Funding & Decision Support

Appendix 1

Released under the Official Information Act

Executive Management Team Briefing Note

AGENDA ITEM NO:	
SUBJECT: Signing of Lease for Selwyn Health Hub and approval of fit-out	
RESPONSIBLE EXECUTIVE MEMBER: Carolyn Gullery, Executive Director Planning & Funding and Decision Support	DATE FOR SENIOR EXECUTIVE CONSIDERATION: 15 th January 2020
OTHER KEY STAFF (e.g. Author/s): Planning & Funding (Wayne Turp) Site Redevelopment (Brad Cabell & Brendon Groufsky) Corporate Legal (Tim Lester) Corporate Services Finance (Lesley McLean & Winnie Li)	ESTIMATED TIME REQUIRED FOR DISCUSSION AND DECISION:
PROPOSAL: Refer attached for the draft paper (yet to be finalised) to the 28 th January 2020 QFARC seeking recommendation to the 25 Feb 2020 Board to: <ul style="list-style-type: none"> • Sign the 34 year (10+10+10+4 Lease Agreement for Selwyn Heath Hub • Approve a total of 9(2)(b)(ii) for the fit-out of Selwyn Health Hub (which is an additional 9(2)(b)(ii) to the 9(2) previously approved for the design.) • Note the ongoing net operation expenditure of 9(2)(b)(ii) over 35 years • Note the Ministry and Minister have already been informed of the <i>possibility</i> of a service change but have advised CDHB that formal approval is not required. The CDHB has also advised affected staff at Lincoln to ensure they are informed before anything is announced publicly. This was a positive meeting and the direction was generally supported. In addition, there will need to be a process of public consultation and formal disposal procedure should the land be subsequently deemed to be surplus to requirements. • Note the landlord has designed the building and appointed a contractor. During the design process there was input by the CDHB so specific CDHB fit out requirements are incorporated. The preliminary plans and outline specifications have been agreed and are attached to the lease. The lease also provides that the detailed plans and specifications once completed require CDHB approval. To date there has been engagement between landlord and CDHB representatives and commonality of design consultants to help ensure that CDHB's design and fit out requirements are met. 	

BUDGET IMPLICATION: An additional one off 9(2)(b)(ii) for the fit-out and ongoing net opex of 9(2)(b)(ii) over 35 years

RECOMMENDATIONS AND ACTION TO FOLLOW:

EMT to:

- Note in the 18 July 2019 Board paper the additional cost of Selwyn HH lease option is circa 9(2)(b)(ii) over 30 years (compared with the refurbished Lincoln option) and the one off fit out capital cost for the Selwyn HH is circa 9(2)(b)(ii) ;
- Note post concept design and as outlined in the paper going to the 28th Jan 2020 QFARC , the additional cost of Selwyn HH lease option is estimated 9(2)(b)(ii) over 35 years (compared with the refurbished Lincoln option) and that this reduction is due to the inclusion of the saving in leasing cost from the Rural Community Services with the proposed relocation to the Selwyn HH and the one off fit out capital cost for the Selwyn HH is estimated 9(2)(b)(ii) (inclusive of the 9(2)(b) already approved for the design) and
- Approve the attached proposal (including the appendices) for release to the 28th Jan 2020 QFARC

ACTION RESPONSIBILITY:

OTHER DIVISIONS INVOLVED:

RECOMMENDATION/S
(for Executive Team use only)

Endorsed
Endorsed in principle
Endorsed subject to amendment
Redraft/Resubmission
Not recommended

Referred for consultation
Working party to report
Noted
Deferred
Other action, specify

BUSINESS CASE Cover Sheet

Name of proposal	Selwyn Health Hub - Fitout		
Service	Site Redevelopment Unit	Cost Centre	6400970
CAPEX	Total Capital Requested	9(2)(b)(ii)	
Funding Source	Baseline AIP Budget	\$	
	Baseline Divisional Discretionary Budget	\$	
	Strategic AIP Budget	\$	
	Facilities AIP Budget	\$	
	Other [Capital Intention]	9(2)(b)(ii)	

SUPPORTED & ENDORSED BY		
Name & Position	Signature	Date
Norma Campbell Director of Midwifery	9(2)(a)	
Winnie Li Senior Management Accountant, Corporate Finance		20/12/2019
Terry Walker Maintenance & Engineering Manager		
Brad Cabell Programme Director Construction & Property		

APPROVALS (for corporate use only)		
APPROVED BY	Signature	Date
Mary Gordon Executive Director of Nursing & Facilities		
Carolyn Gullery Executive Director, Planning & Funding and Decision Support		
Justine White Executive Director Finance & Corporate Services		
David Meates Chief Executive		

BOARD and other formal committee approvals, as per delegation:

CFARC		FACILITIES COMMITTEE		BOARD	
Date		Date		Date	
SIRCC (Selwyn Island Regional Capital Committee)		Digital Advisory Board (DAB) (IT related)		HRPG (Hospital Redevelopment Partnership Group)	
Date		Date		Date	

Recommendation

The Business Case seeks approval for:

1. Proposed capital expenditure of 9(2)(b)(ii) to cover the cost of construction of the fit out, fixtures, fittings and equipment plus associated design and project costs for the part of the Selwyn Health Hub facility being leased by the Canterbury District Health Board (CDHB).
2. Sign off on the agreement to lease according to schedule and details in the attached proposal.

Justifications for the Investment

The issue being addressed:

In July 2019 the Board, on QFARC's recommendation, approved a proposal to enter into a formal leasing agreement with the Selwyn District Council to occupy a purpose-built facility for the provision of integrated health care for the Selwyn District based in the Rolleston town centre.

Approval is now required for the project costs and capital investment on the fitout costs for the CDHB occupied areas of the building prior to entering into a lease.

Background

Following an approach from the Selwyn District Council in late 2017, the CDHB investigated the feasibility of entering into a lease agreement, to support the building of a multi-agency Integrated Health and Social Services Hub in Rolleston. This would include a purpose built primary birthing unit which would help to support the model of care changes proposed as part of the CDHB's Maternity Strategy and allow the CDHB to establish a primary maternity base in the centre of the fastest growing district in the region and the country.

The CDHB's birthing facility will sit alongside a large general practice and radiology services and adjacent to the St. John Ambulance Centre, with direct access to the Southern Motorway (facilitating speedy access to Christchurch Hospital in emergencies). While it is recognised that a proportion of the women (such as those who have fetal medicine and other complex physical needs) will still be required to birth at Christchurch Women's Hospital (CWH), well women in one of our largest growing communities will have the option of a one-stop-shop for all of their health needs during pregnancy (eliminating the need to travel either to Ashburton or into Christchurch for scans and other health checks) plus the option of a local birthing unit. The access to rapid ambulance transfer to hospital will also alleviate the concerns of women who worry about unexpected complications when birthing.

As well as enabling the primary birthing unit to be relocated (from Lincoln) this also allows the CDHB to relocate a range of other services to the one site in Rolleston. This includes child and adolescent dental health services (currently located in Lincoln) as well as Community Mental Health services, Older Persons Health and Public Health nurses currently housed in rented accommodation elsewhere in Rolleston.

9(2)(b)(ii)

. The financial implications for the CDHB will constitute an additional cost of 9(2)(b) over 35 years, in comparison to the alternative of refurbishing and extending existing facilities at Lincoln (refer to Appendix 2). The original paper prepared outlining the costs and benefits of the proposal and this was supported by the Board in July 2019 is attached as Appendix 1. In this paper, the additional cost of entering a lease in Rolleston was 9(2)(b) over 30 years (note the life of the lease was assumed to be 30 years in this paper) by comparison with the alternative of refurbishing and extending the existing facilities at Lincoln. Although there is no change in occupancy, this cost has reduced to 9(2)(b) over 35 years. This reduction was contributed by the savings of leasing cost from the Rural Community Services move into the proposed Selwyn Health Hub. A concept design is completed with input from the User Group and a better understanding of the clinical requirements of the facility. It also includes provision for a generator.

Should this proposal be endorsed by the Board this will mean a shift of service delivery locations to the one site in Rolleston, primarily the Lincoln Birthing Unit and adjacent Dental Clinic, but also rented accommodation used by community mental health services, older person health and public health nurses. The Ministry and Minister have been informed on the proposal. The CDHB has also advised affected staff at Lincoln to ensure they are informed before anything is announced publicly. This was a positive meeting and the direction was generally supported. In addition,

there will need to be a process of public consultation and formal disposal procedure should the land at Lincoln be subsequently deemed to be surplus to requirements.

The Benefits and Options

Benefits

Under the current projections and growth plans for the Selwyn District a health facility in Rolleston will:

- Be located within the largest (future) urban conurbation within the Selwyn District.
- Be adjacent to the St. John Ambulance Station and would have direct access to the new Southern Motorway which promises to reduce travel time from Rolleston to the Christchurch CBD from 30 minutes to 15 minutes when it is completed in 2020.
- Provide better access for maternal health care than Lincoln (13 kms away) and enable a faster transfer to Christchurch Women's Hospital in an emergency.
- Be more conveniently located to provide access to child and adolescent dental health services.
- Be a more conducive and more easily assessable location for the rural community services.
- Offer the benefits of co-location and integration with a general practice, radiology services, pharmacy, blood collection and other community health and social services.
- Enable a reduction in the outsourcing of primary birthing and post-natal care.

Options

Option 1: Co-locate to the Selwyn Health Hub in Rolleston (Preferred option)

Enter into a lease agreement with the Selwyn District Council to occupy an area within the new Selwyn Health Hub to be built at Rolleston. Engage consultants and contractors to design and construct the internal fit out of the leased area under the project management of the Site Redevelopment Unit. A user group made up of key members of the services that would occupy the Health Hub would provide input to the design group to outline the clinical requirements of those services.

This option would allow the maternity, rural community and dental health services to be positioned closer to the major population base of the district. It would also provide synergy with being co-located with other primary health services within one building.

The drawbacks of this options are:

The leasing option has a higher operating expenditure. Rental expense is 9(2)(b) per annum. Total net operating expenditure over 35 years is 9(2)(b) higher than the refurbishing and expanding the existing facility at Lincoln option (Option 2). The Net Present Value (NPV) over 35 years is 9(2)(b) higher than option 2.

Option 2: Refurbish, expand and upgrade the existing CDHB facilities at Lincoln

The option would begin with the existing 1920's era wooden building upgraded to meet current earthquake structural requirements. All other services including, but not limited to, fire sprinkler and protection, electrical, heating air conditioning and ventilation, nurse call, plumbing and sanitary waste would need to be upgraded to meet current standards, building code and service requirements. Architectural elements such as insulation, double glazing, cladding, roofing and wall linings would need to be refurbished to meet current standards to enable the building to meet the building code as well as being an economical building to run and maintain. The building would then be expanded to meet the requirements of a modern maternity service. This option has a lower operating expenditure than the leasing option.

The drawbacks of this options are:

This option does not allow for any change to the rural community service or to the dental health service relocation and would keep the facility at a distance from the major school and residential population bases in the district.

This option will not provide alternative accommodation for community services and there will be a continuing need to lease accommodation elsewhere (current cost \$43,180 per annum).

This option does not achieve the synergies and patient convenience of proximity to Radiological Service, Pharmacist and General Practice.

The capital expenditure to refurbish, expand and upgrade the existing facility in Lincoln is \$0.859m higher than the leasing option.

Option 3: Do nothing

By doing nothing the maternity service, rural community service and the dental health service would remain in isolation from each other and remove the synergies of these services being co-located together and with other primary health providers. The maternity service would remain in a high maintenance building at the end of its useful life that is close to not being fit for a modern maternity service. This would also maintain the current dislocation of services and loss of the synergies created by co-location as in the drawbacks identified under option 2 above. With major ongoing maintenance issues with this building it is likely that the existing facility would have to be vacated in the medium future if left as is.

Benefit Delivery of Recommended Option	
Business owner (Who will manage the delivery of the benefit and accountable for the Post Implementation Review)	Carolyn Gullery, Executive Director, Planning & Funding and Decision Support
Benefit Measure (Measure of the improvement)	Reduction in travel time for patients currently needing to attend Christchurch Women's Hospital for antenatal and neonatal appointments.
Target Benefit Measure	Reduction in average Time/Distance travelled based on domicile of service users compared to previous years average.
Date the benefit will be achieved	Period commencing July 2021
Benefit Measure (Measure of the improvement)	Increase in the number of women who are at low risk of complications giving birth in a safe, low intensity environment and commensurate decrease in healthy women birthing in the secondary/tertiary high intensity environment.
Target Benefit Measure	5% reduction in admissions number of women who are at low risk of complications giving birth in Christchurch Women's Hospital
Date the benefit will be achieved	Year ending December 2022
Benefit Measure (Measure of the improvement)	Reduction in the number of women at low risk of complications receiving unwarranted obstetric intervention such as instrumental vaginal birth, caesarean section and episiotomy, compared with planned birth in primary/community settings.
Target Benefit Measure	Increase in the number of women at low risk of complications having spontaneous vaginal births.
Date the benefit will be achieved	Year ending December 2022
Benefit Measure (Measure of the improvement)	5% reduction in the number of women being referred to St. George's (private) Hospital for birthing and postnatal care (current volume agreement 250 per annum).

Target Benefit Measure	Saving of 9(2)(b) per event in providing birthing and postnatal care in CDHB facility rather than St. Georges 9(2)(b) per annum).
Date the benefit will be achieved	Financial year 2021/22
Benefit Measure (Measure of the improvement)	5% reduction in the number of women being referred to St. George's (private) Hospital for postnatal care (current volume agreement 1,100 per annum).
Target Benefit Measure	Saving of 9(2)(b) per event in providing postnatal care in CDHB facility rather than St. Georges 9(2)(b) per annum).
Date the benefit will be achieved	Financial year 2021/22
Benefit Measure (Measure of the improvement)	Opportunity to offer outpatient clinics closer to home for people living in the Selwyn and Ashburton Districts plus associated reduction in the number of outpatient clinics required at Christchurch Women's Hospital
Target Benefit Measure	More people being seen in Rolleston based outpatient (i.e. closer to home) commencing July 2021
Date the benefit will be achieved	Financial year 2021/22

Leasing arrangements (for preferred option)

The Lease is on the latest edition of the Auckland District Law Society Standard form Agreement/Deed of Lease. The key commercial terms are summarised as follows:

- **Leased Premises:** part of the landlord's building comprising 1,184.67m² subject to survey; (plus a contribution towards common areas)
- **Initial Term:** 10 years;
- **Rights of Renewal:** 10 + 10 + 4 (34 years total if all renewals are exercised);
- **Commencement Date:** the earlier of:
 - 6 months after the Access Date (as defined, when landlord's works are sufficiently complete and watertight for CDHB to have unimpeded access for fit-out); and
 - the date that CDHB commences normal operations from the premises;
- **Rent:** 9(2)(b)(ii) (common area rent 9(2)(b)(ii)) plus GST;
- **Rent Review:** CPI each anniversary (other than market) and market every 4 years;
- **Landlord Contribution:** for landlord works to be completed by CDHB as part of CDHB fit-out: 9(2)(b)(ii) plus GST payable on the Access Date (as defined);
- **Practical Completion:** the date the Landlord and CDHB agree the landlord works have been completed (and failing agreement, as determined by an Expert).

The form of lease is **attached as Appendix 5**

Financials & Resourcing

Total capital cost for the construction of the fit out, fixtures, fittings and equipment plus associated design and project costs for the part of the facility being leased by CDHB (Option 1) is 9(2)(b)(ii). Total capital cost requested in this business case is 9(2)(b)(ii). Please see Appendix 4 for Rider Levett Bucknall (RLB) estimate. The concept design for Selwyn Health Hub is carried out from funding of 9(2)(b) requested under a separate business case (Selwyn Health Hub – Consultants for Concept Design). The total capital expenditure costs are as follows:

Items	Cost \$	Basis
Fitout Costs	9(2)(b)(ii)	
CDHB Direct Costs		
Landlord Contribution and Costs		
Generator 150kVA		
Total Construction Works		
Design and Construction Contingency		
Professional Fees		
FF&E		
Resource and Building Consents		
Project Contingency		
Escalation		
Total cost in RLB estimate		Refer to Appendix 4 for RLB estimate
Other costs excluded from RLB estimate		
CDHB IT Costs		Estimate
Decanting and Relocation Costs		Estimate
Total other costs		
Total capital cost requested		
Concept Design		Approved in a separate business case
Total capital cost for Selwyn Health Hub		

Rental and operating expenditure for 35 years have been projected to be 9(2)(b)(ii). This is based on 9(2)(b) for CDHB exclusive leased area of 1,185m², 9(2)(b) for common leased area of 45m² and 9(2)(b) for other operating expenditures with occupation starting from July 2021 (refer to Appendix 2 NPV Analysis).

The below table summarises the NPV calculations for the two options considered.

	M2	Total CAPEX outflow (35 YEARS)	Total net OPEX income/(expense) (35 YEARS)	NPV (35 years)
Lease Rolleston	1,230	9(2)(b)(ii)		
Refurb & extend existing Lincoln facility**	1,230			
Difference between leasing and refurb&extend				

** excluding estimated land value

The leasing option has 9(2)(b) less capital expenditure outflow over 35 years, but it has 9(2)(b) more in net operating expenditure. The NPV using the discount rate of 6% over 35 years for the leasing option is 9(2)(b) higher than the refurbishing and extending the existing Lincoln facility option.

Project Delivery

Work has been undertaken with an architect, services engineers and quantity surveyor to complete and cost the concept design. A user group with representatives from the proposed services to occupy the Health Hub provided input and feedback to the concept design. The requirements were outlined in the initial paper and by the user group. The spaces within the concept design are no more and no less than those in the current facilities used by these groups and are as follows:

- A birthing unit with
 - 10 post-natal beds
 - 2 birthing rooms
 - 2 assessment rooms
- A dental unit with
 - 3 chairs
 - 1 assessment/interview room
- Community services area with
 - 6 clinic/interview rooms
 - 10 'hot desks'

During the concept design process the requirement for a permanent stand-by generator was highlighted and this has been incorporated into the design with the endorsement of the Project Governance Group.

The leased area, of approximately 1,300m² (including shared space), to be occupied by the CDHB is on the first floor of the Health Hub as well as an area on the ground floor for medical gas storage, dirty linen, rubbish and patient equipment such as wheelchairs, walking frames and the like. Car parking, ambulance parking and patient drop off areas are part of the landlord base build and any specific requirements will be agreed as part of the lease.

The landlord has designed the building and appointed a contractor. During the design process there was input by the CDHB so specific requirements could be incorporated should the CDHB finalise a lease agreement with the landlord. Construction on the base build is expected to begin in early 2020 with completion in the first quarter of 2021.

Subject always to procurement obligations, the preference is for the tenant consultant design team to use the same consultants that the landlord has for the base build wherever possible. This provides synergies for designing the fit out and reduces the amount of time the consultants need to spend on the design and hence lowers cost. If alternative consultants are used, there can be additional hours required to them to get familiar with the base build and additional time liaising with the landlord's consultants for the co-ordination of design and services.

Once funding is secure for the CDHB fit out, the consultant design team will continue with the design process with further input from CDHB groups as and when required. This process is expected to take five months and then the construction request for proposal will be put to the market. Once a CDHB contractor has been selected the landlord base build is expected to be at a point where the CDHB contractor can work on the facility and complete the CDHB fit out.

The procurement method for the contractor will be a two-stage process. Starting with a Registration of Interest, a number of suitable contractors will be shortlisted and offered to respond to the Request for Proposal. Pre-qualification to make the shortlist will be based on relevant experience and in particular health related experience. Working with a number of other contractors on the same site will be taken into consideration as there is the potential for the CDHB fit out contractor to be one of many on the actual site due to the potential of the landlords and other tenants' contractors working on site at the same time.

An approximate construction period for the fit out of nine months has been indicated. However, this timeframe will be determined by contractors when providing their construction programme. The actual start time for the fit out will also be determined by the progress of the landlord's contractor and when the building will be made available for the CDHB contractor to begin construction. The project team will provide input to the contractor to assist with creating a robust programme that provides good monitoring opportunities so that timeframes for the work can be added to lessons learnt and used for future planning.

Please complete the following table

Project Delivery (On Time, Deliverable, On Budget)	
Target Implementation Start	March 2020 (begin preliminary design)
Target Implementation Completion	July 2021 (occupation)
Target Deliverable Description	Multi service health facility
Total Budget	9(2)(b)(ii)

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Appendices

Appendix 1: July 2019 Board paper



Appendix 1 July
2019 Board Paper.docx

Appendix 2: NPV Analysis



Appendix 2 Selwyn
Health Hub NPV Analysis

Appendix 3: Concept Design Plans (showing nett leasable area)



Appendix 3
Concept Design Plans

Appendix 4: RBL estimate



Appendix 4 Rider
Levett Bucknall Contract

Appendix 5: Agreement to lease

Appendix 6: Draft QFARC paper

Oracle Project Accounting and Delegation Requirements *(for Corporate Finance use)*

For completion by Finance Manager

Oracle Project Set Up			
Budget Holder	Brad Cabell	Oracle Project Start	March 2020
Project Manager	Brendon Groufsky	Oracle Project Completion (date all transactions to be processed by)	June 2021
Accountant(s)	Leslie McLean	Asset Category	Leased Building

Optional – Task Set Up in Oracle (if required)

Task Name	Task Budget \$	Task Approver Name (if not provided will remain the budget holder responsibility)	Task approver \$ delegation (>\$0.1 refer to How to Guide)	Task Start date	Task Finish Date (last transaction date)	Asset Category (Specify for each task) Gen Equip, Clinical Equip, Motor Vehicle, CDHB Building, Leased Building, IT Hardware, IT Software
Task 2: Selwyn Health Hub fitout	9(2)(b)(ii)	Brendon Groufsky	\$1	March 2020	June 2021	Leased Building

Note: This is to be added to project CT-20-C-00431 as an increase in budget, Task 1 Selwyn Health Hub Concept Design has been approved for 9(2)(b)

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APPENDIX 1

BUSINESS CASE FOR THE FIT OUT OF THE CDHB LEASED SPACES IN SELWYN HEALTH HUB

Recommendation

The Business Case seeks approval for:

- Additional capital expenditure of 9(2)(b)(ii) to cover the cost of construction of the fit out, fixtures, fittings and equipment plus associated design and project costs for the part of the Selwyn Health Hub facility being leased by the CDHB.

Justifications for the Investment

In July 2019 the Board, on QFARC's recommendation, approved a proposal to enter into a formal leasing agreement with the Selwyn District Council to occupy a purpose-built facility for the provision of integrated health care for the Selwyn District based in the Rolleston town centre.

Approval is now required for the project costs and capital investment on the fitout costs for the CDHB occupied areas of the building prior to entering into a lease.

Background

Following an approach from the Selwyn District Council in late 2017, the CDHB investigated the feasibility of entering into a lease agreement, to support the building of a multi-agency Integrated Health and Social Services Hub in Rolleston. This would include a purpose built primary birthing unit which would help to support the model of care changes proposed as part of the CDHB's Maternity Strategy and allow the CDHB to establish a primary maternity base in the centre of the fastest growing district in the region and the country.

The CDHB's birthing facility will sit alongside a large general practice and radiology services and adjacent to the St. John Ambulance Centre, with direct access to the Southern Motorway (facilitating speedy access to Christchurch Hospital in emergencies). While it is recognised that a proportion of the women (such as those who have fetal medicine and other complex physical needs) will still be required to birth at Christchurch Women's Hospital (CWH), well women in one of our largest growing communities will have the option of a one-stop-shop for all of their health needs during pregnancy (eliminating the need to travel either to Ashburton or into Christchurch for scans and other health checks) plus the option of a local birthing unit. The access to rapid ambulance transfer to hospital will also alleviate the concerns of women who worry about unexpected complications when birthing.

As well as enabling the primary birthing unit to be relocated (from Lincoln) this also allows the CDHB to relocate a range of other services to the one site in Rolleston. This includes child and adolescent dental health services (currently located in Lincoln) as well as Community Mental Health services, Older Persons Health and Public Health nurses currently housed in rented accommodation elsewhere in Rolleston.

9(2)(b)(ii)

. The financial implications for the CDHB will constitute an additional cost of 9(2)(b) over 35 years, in comparison to the alternative of refurbishing and extending existing facilities at Lincoln (refer to Appendix 1b). The original paper prepared outlining the costs and benefits of the proposal and this was supported by the Board in July 2019 is attached as Appendix 1a. In this paper, the additional cost of entering a lease in Rolleston was 9(2)(b) over 30 years (note the life of the lease was assumed to be 30 years in this paper) by comparison with the alternative of refurbishing and extending the existing facilities at Lincoln. Although there is no change in occupancy, this cost has reduced to 9(2)(b) over 35 years. This reduction was contributed by the savings of leasing cost from the Rural Community Services move into the proposed Selwyn Health Hub. A concept design is completed with input from the User Group and a better understanding of the clinical requirements of the facility. It also includes provision for a generator.

Should this proposal be endorsed by the Board this will mean a shift of service delivery locations to the one site in Rolleston, primarily the Lincoln Birthing Unit and adjacent Dental Clinic, but also rented accommodation used by community mental health services, older person health and public health nurses.

The CDHB has already engaged with affected staff at Lincoln and in the community to ensure they are informed before a final decision is made or anything is announced publicly. To date, this has been positively received by affected staff and the future direction is widely supported. The Minister and Ministry of Health have also been informed on the proposal to lease facilities in Rolleston and to relocate staff and services. While the formal notification of change and Ministry approval is not required for this aspect of the plan to proceed, vacating the site will lead to the need to consider its future. Whereas the (relatively new) dental clinic on the site can be relocated to provide improved dental health services elsewhere, the old maternity hospital facility would effectively become redundant as a health facility and surplus to requirements. The Board would need to consider the future of this site and the land. This will entail a formal public consultation process and if the land was deemed surplus to requirements, Ministerial approval would be required to dispose of the land.

The Benefits and Options

Benefits

Under the current projections and growth plans for the Selwyn District a health facility in Rolleston will:

- Be located within the largest (future) urban conurbation within the Selwyn District.
- Be adjacent to the St. John Ambulance Station and would have direct access to the new Southern Motorway which promises to reduce travel time from Rolleston to the Christchurch CBD from 30 minutes to 15 minutes when it is completed in 2020.
- Provide better access for maternal health care than Lincoln (13 kms away) and enable a faster transfer to Christchurch Women's Hospital in an emergency.
- Be more conveniently located to provide access to child and adolescent dental health services.
- Be a more conducive and more easily assessable location for the rural community services.
- Offer the benefits of co-location and integration with a general practice, radiology services, pharmacy, blood collection and other community health and social services.
- Enable a reduction in the outsourcing of primary birthing and post-natal care.

Options

Option 1: Co-locate to the Selwyn Health Hub in Rolleston (Preferred option)

Enter into a lease agreement with the Selwyn District Council to occupy an area within the new Selwyn Health Hub to be built at Rolleston. Engage consultants and contractors to design and construct the internal fit out of the leased area under the project management of the Site Redevelopment Unit. A user group made up of key members of the services that would occupy the Health Hub would provide input to the design group to outline the clinical requirements of those services.

This option would allow the maternity, rural community and dental health services to be positioned closer to the major population base of the district. It would also provide synergy with being co-located with other primary health services within one building.

The drawbacks of this options are:

The leasing option has a higher operating expenditure. Rental expense is 9(2)(b) per annum. Total net operating expenditure over 35 years is 9(2)(b) higher than the refurbishing and expanding the existing facility at Lincoln option (Option 2). The Net Present Value (NPV) over 35 years is 9(2)(b) higher than option 2.

Option 2: Refurbish, expand and upgrade the existing CDHB facilities at Lincoln

The option would begin with the existing 1920's era wooden building upgraded to meet current earthquake structural requirements. All other services including, but not limited to, fire sprinkler and protection, electrical, heating air conditioning and ventilation, nurse call, plumbing and sanitary waste would need to be upgraded to meet current standards, building code and service requirements.

Architectural elements such as insulation, double glazing, cladding, roofing and wall linings would need to be refurbished to meet current standards to enable the building to meet the building code as well as being an economical building to run and maintain. The building would then be expanded to meet the requirements of a modern maternity service. This option has a lower operating expenditure than the leasing option.

The drawbacks of this options are:

This option does not allow for any change to the rural community service or to the dental health service relocation and would keep the facility at a distance from the major school and residential population bases in the district.

This option will not provide alternative accommodation for community services and there will be a continuing need to lease accommodation elsewhere (current cost \$43,180 per annum).

This option does not achieve the synergies and patient convenience of proximity to Radiological Service, Pharmacist and General Practice.

The capital expenditure to refurbish, expand and upgrade the existing facility in Lincoln is \$0.859m higher than the leasing option.

Option 3: Do nothing

By doing nothing the maternity service, rural community service and the dental health service would remain in isolation from each other and remove the synergies of these services being co-located together and with other primary health providers. The maternity service would remain in a high maintenance building at the end of its useful life that is close to not being fit for a modern maternity service. This would also maintain the current dislocation of services and loss of the synergies created by co-location as in the drawbacks identified under option 2 above. With major ongoing maintenance issues with this building it is likely that the existing facility would have to be vacated in the medium future if left as is.

Benefit Delivery of Recommended Option	
Business owner (Who will manage the delivery of the benefit and accountable for the Post Implementation Review)	Carolyn Gullery, Executive Director, Planning & Funding and Decision Support
Benefit Measure (Measure of the improvement)	Reduction in travel time for patients currently needing to attend Christchurch Women's Hospital for antenatal and neonatal appointments.
Target Benefit Measure	Reduction in average Time/Distance travelled based on domicile of service users compared to previous years' average.
Date the benefit will be achieved	Period commencing July 2021
Benefit Measure (Measure of the improvement)	Increase in the number of women who are at low risk of complications giving birth in a safe, low intensity environment and commensurate decrease in healthy women birthing in the secondary/tertiary high intensity environment.
Target Benefit Measure	5% reduction in admissions number of women who are at low risk of complications giving birth in Christchurch Women's Hospital

Date the benefit will be achieved	Year ending December 2022
Benefit Measure (Measure of the improvement)	Reduction in the number of women at low risk of complications receiving unwarranted obstetric intervention such as instrumental vaginal birth, caesarean section and episiotomy, compared with planned birth in primary/community settings.
Target Benefit Measure	Increase in the number of women at low risk of complications having spontaneous vaginal births.
Date the benefit will be achieved	Year ending December 2022
Benefit Measure (Measure of the improvement)	5% reduction in the number of women being referred to St. George's (private) Hospital for birthing and postnatal care (current volume agreement 250 per annum).
Target Benefit Measure	Saving of 9(2)(b) per event in providing birthing and postnatal care in CDHB facility rather than St. Georges 9(2)(b)(ii) per annum).
Date the benefit will be achieved	Financial year 2021/22
Benefit Measure (Measure of the improvement)	5% reduction in the number of women being referred to St. George's (private) Hospital for postnatal care (current volume agreement 1,100 per annum).
Target Benefit Measure	Saving of 9(2)(b) per event in providing postnatal care in CDHB facility rather than St. Georges 9(2)(b) per annum).
Date the benefit will be achieved	Financial year 2021/22
Benefit Measure (Measure of the improvement)	Opportunity to offer outpatient clinics closer to home for people living in the Selwyn and Ashburton Districts plus associated reduction in the number of outpatient clinics required at Christchurch Women's Hospital
Target Benefit Measure	More people being seen in Rolleston based outpatient (i.e. closer to home) commencing July 2021
Date the benefit will be achieved	Financial year 2021/22

Leasing arrangements (for preferred option)

The Lease is on the latest edition of the Auckland District Law Society Standard Form Agreement/Deed of Lease. The key commercial terms are summarised as follows:

- **Leased Premises:** part of the landlord's building comprising 1,184.67m² subject to survey; (plus a contribution towards common areas)

- **Initial Term:** 10 years;
- **Rights of Renewal:** 10 + 10 + 4 (34 years total if all renewals are exercised);
- **Commencement Date:** the earlier of:
 - 6 months after the Access Date (as defined, when landlord's works are sufficiently complete and watertight for CDHB to have unimpeded access for fit-out); and
 - the date that CDHB commences normal operations from the premises;
- **Rental-** 9(2)(b)(ii) (common area rent 9(2)(b)(ii)) plus GST;
- **Rent Review-** CPI each anniversary (other than market) and market every 4 years;
- **Landlord Contribution:** for landlord works to be completed by CDHB as part of CDHB fit-out: 9(2)(b)(ii) plus GST payable on the Access Date (as defined);
- **Practical Completion:** the date the Landlord and CDHB agree the landlord works have been completed (and failing agreement, as determined by an Expert).

The form of lease is **attached as Appendix 2**

Financials & Resourcing

Total capital cost for the construction of the fit out, fixtures, fittings and equipment plus associated design and project costs for the part of the facility being leased by CDHB (Option 1) is \$5,919,000. Total capital cost requested in this business case is \$5,854,000. Please see Appendix 1d for Rider Levett Bucknall (RLB) estimate. The concept design for Selwyn Health Hub is carried out from funding of \$65,000 requested under a separate business case (Selwyn Health Hub Consultants for Concept Design). The total capital expenditure costs are as follows:

Items	Cost \$	Basis
Fitout Costs	9(2)(b)(ii)	
CDHB Direct Costs		
Landlord Contribution and Costs		
Generator 150kVA		
Total Construction Works		
Design and Construction Contingency		
Professional Fees		
FF&E		
Resource and Building Consents		
Project Contingency		
Escalation		
Total cost in RLB estimate		Refer to Appendix 1d for RLB estimate
Other costs excluded from RLB estimate		
CDHB IT Costs		Estimate
Decanting and Relocation Costs		Estimate
Total other costs		
Total capital cost requested		
Concept Design		Approved in a separate business case
Total capital cost for Selwyn Health Hub		

Rental and operating expenditure for 35 years have been projected to be 9(2)(b)(ii). This is based on 9(2)(b) for CDHB exclusive leased area of 1,185m², 9(2)(b) for common leased area of 45m² and

9(2)(b) for other operating expenditures with occupation starting from July 2021 (refer to Appendix 1b NPV Analysis).

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The below table summarises the NPV calculations for the two options considered.

	M2	Total CAPEX outflow (35 YEARS)	Total net OPEX income/(expense) (35 YEARS)	NPV (35 years)
Lease Rolleston	1,230	9(2)(b)(ii)		
Refurb & extend existing Lincoln facility**	1,230			
Difference between leasing and refurb & extend				

** excluding estimated land value

The leasing option has 9(2)(b)(ii) less capital expenditure outflow over 35 years, but it has 9(2)(b)(ii) more in net operating expenditure. The NPV using the discount rate of 6% over 35 years for the leasing option is 9(2)(b) higher than the refurbishing and extending the existing Lincoln facility option.

Project Delivery

Work has been undertaken with an architect, services engineers and quantity surveyor to complete and cost the concept design. A user group with representatives from the proposed services to occupy the Health Hub provided input and feedback to the concept design. The requirements were outlined in the initial paper and by the user group. The spaces within the concept design are no more and no less than those in the current facilities used by these groups and are as follows:

- A birthing unit with
 - 10 post-natal beds
 - 2 birthing rooms
 - 2 assessment rooms
- A dental unit with
 - 3 chairs
 - 1 assessment/interview room
- Community services area with
 - 6 clinic/interview rooms
 - 10 'hot desks'

During the concept design process the requirement for a permanent stand-by generator was highlighted and this has been incorporated into the design with the endorsement of the Project Governance Group.

The leased area, of approximately 1,300m² (including shared space), to be occupied by the CDHB is on the first floor of the Health Hub as well as an area on the ground floor for medical gas storage, dirty linen, rubbish and patient equipment such as wheelchairs, walking frames and the like. Car parking, ambulance parking and patient drop off areas are part of the landlord base build and any specific requirements will be agreed as part of the lease.

The landlord has designed the building and appointed a contractor. During the design process there was input by the CDHB so specific requirements could be incorporated should the CDHB finalise a lease agreement with the landlord. Construction on the base build is expected to begin in early 2020 with completion in the first quarter of 2021.

Subject always to procurement obligations, the preference is for the tenant consultant design team to use the same consultants that the landlord has for the base build wherever possible. This provides synergies for designing the fit out and reduces the amount of time the consultants need to spend on the design and hence lowers cost. If alternative consultants are used, there can be additional hours required to them to get familiar with the base build and additional time liaising with the landlord's consultants for the co-ordination of design and services.

Once funding is secure for the CDHB fit out, the consultant design team will continue with the design process with further input from CDHB groups as and when required. This process is expected to take five months and then the construction request for proposal will be put to the market. Once a CDHB contractor has been selected the landlord base build is expected to be at a point where the CDHB contractor can work on the facility and complete the CDHB fit out.

The procurement method for the contractor will be a two-stage process. Starting with a Registration of Interest, a number of suitable contractors will be shortlisted and offered to respond to the Request for Proposal. Pre-qualification to make the shortlist will be based on relevant experience and in particular health related experience. Working with a number of other contractors on the same site will be taken into consideration as there is the potential for the CDHB fit out contractor to be one of many on the actual site due to the potential of the landlords and other tenants' contractors working on site at the same time.

An approximate construction period for the fit out of nine months has been indicated. However, this timeframe will be determined by contractors when providing their construction programme. The actual start time for the fit out will also be determined by the progress of the landlord's contractor and when the building will be made available for the CDHB contractor to begin construction. The project team will provide input to the contractor to assist with creating a robust programme that provides good monitoring opportunities so that timeframes for the work can be added to lessons learnt and used for future planning.

Project Delivery (On Time, Deliverable, On Budget)	
Target Implementation Start	March 2020 (begin preliminary design)
Target Implementation Completion	July 2021 (occupation)
Target Deliverable Description	Multi service health facility
Total Budget	9(2)(b)(ii)

Appendices

Appendix 1a:	July 2019 Board paper
Appendix 1b:	NPV Analysis
Appendix 1c:	Concept Design Plans (showing nett leasable area)
Appendix 1d:	RBL Concept Estimate

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To insert

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TO: Chair and Members
Quality, Finance, Audit & Risk Committee

SOURCE: Planning & Funding

DATE: 28 January 2020

Report Status – For:	Decision <input checked="" type="checkbox"/>	Noting <input type="checkbox"/>	Information <input type="checkbox"/>
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1. ORIGIN OF THE REPORT

In July 2019 QFARC recommended that the Board approve the proposal to enter into a formal leasing agreement with Selwyn District Council to occupy a purpose-built facility for the provision of integrated health care for the Selwyn District based in Rolleston town centre.

Approval is now required for the capital required to fit-out the Canterbury DHB leased premises, and approval of the Lease Agreement that has been negotiated with Selwyn District Council.

2. RECOMMENDATION

That QFARC recommends that the Board:

- i. Notes that \$65,000 has previously been approved by management for the concept design to inform Canterbury DHB's fit-out cost;
- ii. Approves a further \$5,854,000 to fit-out the Canterbury DHB leased premises; which means a total project cost fit-out cost of \$5,919,000 as outlined in Appendix 1; and
- iii. Approves and sign the Agreement to Lease in the form attached in Appendix 2.
- iv. Agrees to moving services off the Lincoln site and the commencement of a process around determining the future of the site.

3. BACKGROUND

Selwyn District Council approached CDHB to build a purpose-built facility in Rolleston Town Centre as part of its plan to create a health and social services hub in line with the Rolleston Town Centre Master Plan. A detailed proposal on entering into a leasing agreement with Selwyn District Council for this was supported by QFARC at its meeting on 2 July 2019 and subsequently approved by the Board on 18 July 2019. Having received approval to proceed with the proposal, CDHB has agreed in principle the terms of the lease with Selwyn District Council, advised the Ministry of Health of the proposal, engaged with affected staff and established a facilities design process.

4. SUMMARY

The CDHB presence within the Selwyn Health Hub will comprise:

- A birthing unit with:
 - 10 post-natal beds
 - 2 birthing rooms
 - 2 assessment rooms
- A dental unit with:
 - 3 chairs
 - 1 assessment/interview room
- Community services area with:
 - 6 clinic/interview rooms
 - 10 'hot desks'

In terms of timeframes, Selwyn District Council anticipate commencement of construction in March 2020 with completion for tenant occupation in July 2021.

The Selwyn District Council propose to accommodate other complementary health tenants in the Selwyn Health Hub including a general practice, radiology and other complementary health care providers.

4. FIT-OUT COST

Capital expenditure of \$5,854,000 is required for the construction of the CDHB fit-out of the CDHB leased premises. \$65,000 has been previously approved pursuant to a separate business case for engagement of consultants for concept design and to inform fit-out cost.

The total capital cost of the CDHB fit-out of the leased premises is therefore \$5,919,000.

For more details, refer to the Business Case **attached as Appendix 1**

5. AGREEMENT TO LEASE

The Lease is on the latest edition of the Auckland District Law Society Standard Form Agreement/Deed of Lease. The key commercial terms are summarised as follows:

- **Leased Premises:** part of the landlord's building comprising 1,184.67m² subject to survey; (plus a contribution towards common areas)
- **Initial Term:** 10 years;
- **Rights of Renewal:** 10 + 10 + 4 (34 years total if all renewals are exercised);
- **Commencement Date:** the earlier of:
 - 6 months after the Access Date (as defined, when landlord's works are sufficiently complete and watertight for CDHB to have unimpeded access for fit-out); and
 - the date that CDHB commences normal operations from the premises;
- **Rental:** \$300psm (common area rent \$35psm) plus GST;
- **Rent Review:** CPI each anniversary (other than market) and market every 4 years;
- **Landlord Contribution:** for landlord works to be completed by CDHB as part of CDHB fit-out: \$684,950.00 plus GST payable on the Access Date (as defined);
- **Practical Completion:** the date the Landlord and CDHB agree the landlord works have been completed (and failing agreement, as determined by an Expert).

The form of lease is **attached as Appendix 2**

The agreed Preliminary Design and Outline Specification (that details the building including structures, plant building services, fixtures, fittings, stairwells, lifts, showers, toilets and equipment to be constructed by the Landlord) is attached to the Agreement to Lease. The Lease provides that the Detailed Plans and Specifications once fully developed require approval by CDHB.

APPENDICES

- | | |
|-------------|-----------------------|
| Appendix 1: | Fit-Out Business Case |
| Appendix 2: | Agreement to Lease |

Report prepared by: Wayne Turp, P&F Team Leader Child & Youth Health
Tim Lester, Corporate Solicitor, Corporate Legal;
Leslie McClean, Accountant Corporate Finance;

Report approved for release by: Carolyn Gullery, Executive Director Planning Funding & Decision Support

Appendix 2

Released under the Official Information Act

TO: Chair and Members
Canterbury District Health Board

SOURCE: Planning & Funding

DATE: 18 July 2019

Report Status – For: Decision ☒ Noting ☐ Information ☐

1. ORIGIN OF THE REPORT

This report has been generated in response to an opportunity to lease space in the proposed Health and Social Service Hub planned for Rolleston Town Centre.

2. RECOMMENDATION

That the Board, as recommended by the Quality, Finance, Audit & Risk Committee:

- i. approves the proposal to enter into a formal leasing agreement with Selwyn District Council to occupy a purpose-built facility for the provision of integrated health care for the Selwyn District based in Rolleston town centre.

3. SUMMARY

Selwyn District Council has made an offer to Canterbury DHB to build a purpose built facility in Rolleston Town Centre as part of its plan to create a health and social services hub in line with the Rolleston Town Centre Master Plan.

The Selwyn District is amongst the fastest growing Territorial Local Authorities in New Zealand and will see its population reaching around 75,000 by 2031 (an 80% increase over 30 years). The majority of this growth (80%) will occur in the urban centres within the District, and Rolleston Town is destined to become the principle social, commercial and industrial base for the Selwyn District. This will see the population in Selwyn being on par with the population of the Waimakariri District to the north.

The opportunity to create and/or relocate a range of services to Rolleston Town centre is congruent with the Canterbury DHB's overall strategic direction and in line with the recently approved Maternity Strategy. An integrated health facility in Rolleston will improve access for the majority of the population to a wider range of health care services for the population of Selwyn.

If agreed, the Canterbury DHB primary birthing facilities will sit alongside a large General Practice, radiology services and adjacent to the St. John Ambulance Centre, and will have direct access to the Southern Motorway (facilitating speedy access to Christchurch Hospital in emergencies). Together this will offer women an effective one-stop-shop for all of their health needs during pregnancy and eliminate the need to travel either to Ashburton or into Christchurch for their scans and other health checks. The access to rapid ambulance transfer to hospital will also alleviate the concerns of women who worry about unexpected complications when birthing.

To achieve this will incur a net cost of \$4.23m over 30 years by comparison with the alternative of refurbishing and extending existing facilities at Lincoln. This opportunity nevertheless merits careful consideration as it is a one-off opportunity to locate services in what will, in the near future become the "heart" of Selwyn. Basing community and primary birthing services at Lincoln will mean providing services in a less accessible location for the majority of people living in Selwyn District.

This would also fail to achieve the benefits of colocation alongside the primary health services and diagnostic services that will also be located in the new health hub.

4. **BACKGROUND**

Selwyn District is amongst the fastest growing Territorial Local Authorities in New Zealand (alongside Waimakariri and Queenstown-Lakes Districts). The 2013 census figures for the Selwyn District showed the population went up by nearly a third between 2006 and 2013 (to 44,595).

Selwyn District Council advised in March 2016 that the total population of Selwyn District had reached 60,000. It is anticipated that further growth will lead to a population of around 75,000 by 2031 - a population increase of more than 80% over 30 years.

The District Council is responding proactively to this situation and has developed an innovative long term strategy to cater for the future changes in its population. Their plan anticipates that up to 80% of the total population growth throughout the district will occur within current urban centres, with only a 20% growth in the rural areas. The Rolleston Town Centre Master Plan is based on the town becoming the primary population, commercial and industrial base for the Selwyn District which will see Rolleston becoming the main urban centre for Selwyn District and surrounding areas.

As a consequence of the above, the District Council approached the Canterbury DHB in late 2017 to gauge the DHB's interest in the development of an integrated health and social services facility in the centre of Rolleston.

Their proposal was to build a facility that could include sufficient space to accommodate a comprehensive range of public and private health services alongside other community and social services. With the Canterbury DHB as potential "anchor tenants" the Council was willing to develop a purpose-built primary birthing facility, plus accommodation for Canterbury DHB rural community services (including mental health), specialist outpatient clinics and child and adolescent dental health services co-located alongside (independent) blood collection, radiology, pharmacy, physiotherapy and general practice as part of an integrated health and social services hub.

Conceptually, this opportunity to develop such a facility is entirely congruent with Canterbury DHB's strategic direction. The creation of an integrated health facility within the Selwyn District would mirror the existing facility in Rangiora. Health hubs in both Rangiora and Selwyn would not only provide care closer to home for a significant proportion of the Canterbury population living outside of Christchurch, they could also offer effective "staging posts" for a number of those people residing to the northern (Hurunui) and southern (Ashburton) Districts who currently need to travel into Christchurch for a range of health care treatments.

The Maternity Strategy (endorsed by the Board in December 2018) would be significantly advanced by the development of a new purpose-built birthing facility in Rolleston. One of the key concepts of the Maternity Strategy is to encourage pregnant women, who are unlikely to have any complications when birthing, to do this at a primary birthing facility (or at home). This not only means receiving care closer to home for women and their families, but there is good evidence to show that women planning to give birth in secondary and tertiary hospitals have a higher risk of caesarean section, assisted modes of birth, and intrapartum interventions than similar women planning to give birth at home and in primary maternity units. The risk of emergency caesarean section for women planning to give birth in a tertiary unit is higher than that of a woman planning to give birth in a primary unit. Newborns of women planning to give birth in secondary and tertiary hospitals also have a higher risk of admission to a neonatal intensive care unit. Intervention will sometimes be required in childbirth, but should only occur when medically necessary. From a "best for patient, best for system" perspective there is also an urgent need to reduce the volume of women birthing at Christchurch Women's Hospital (CWH) as this facility was never designed to manage the numbers of women currently choosing to birth there. As a secondary/tertiary maternity facility this

service should be able to be prioritised for those women and their babies who really need these levels of specialist care. This not only leads to an unsatisfactory experience for those women experiencing a “normal” birth, but it also distracts staff from their main purpose. Having a maternity unit at Rolleston where a large population growth of young families is predicted and occurring makes the close to home service of the proposed unit an important part of the solution for Christchurch Women’s increasing volumes and one more step towards implementing the Maternity Strategy approved by the Board in 2018.

The opening of the primary maternity facility in Rangiora in October 2015 has already had this effect within the Waimakariri and Hurunui Districts. Since its opening there has been a steady growth in the number of women choosing to give birth at the new facility in line with best practice. It has also fostered a growth of midwives based in this area as they now have a base from which to support women antenatally and offer post-natal care in their community for the six weeks pending integration with Well Child Tamariki Ora programmes and general practice. This trend is an indication that the sometimes misplaced perception that “Christchurch Hospital is best” can be shifted.

In February 2019 the maternity service commenced a trial of providing specialist appointments to North Canterbury women locally at the Rangiora hub so they did not have to drive and park to get to appointments at Christchurch Hospital. This has proven to be very satisfactory for women and their supports. This obstetric clinic has been combined with a gynaecology clinic to ensure a full day of clinic appointments and has assisted in being ESPI compliant with the gynaecological FSAs and follow ups for North Canterbury. The impending extension of the building accommodating the maternity facility in Rangiora will enable an expansion of the range of other primary and out-patient health services available to the residents of the Hurunui and Waimakariri Districts. The Rangiora Health Hub will, in the near future, also enable integrated provision of a number of primary and community services much as the Rolleston proposal will also achieve.

Primary health and social services for Selwyn District are currently a combination of local and Christchurch based delivery with the main bulk coming from Christchurch. Emergency, secondary and tertiary services are all Christchurch based requiring the residents to travel to access any of these services. If the status quo is maintained, more and more people residing in the Selwyn District will need to travel outside the district to access health and social services, and/or more outreach health and social services will need to be delivered from Christchurch to meet demand.

As at May 2018 there were 55,979 enrolled patients within Selwyn District of which 13,887 source service delivery from the existing two Rolleston based GP practices - service delivery is currently provided from 8am-8pm for enrolled patients. For services outside these times the residents are required to travel to be seen in Christchurch either at the Emergency Department or the 24 Hour Surgery.

Over the 12 months ending May 2018 there were 7,830 presentations to Christchurch Hospital’s Emergency Department from Selwyn domiciled residents (1,692 0-15 year olds, 4,464 16-64 year olds and 1,674 65+ year olds respectively). Over the previous ten years Emergency Department presentations by people living in Selwyn has steadily increased. With the projected population growth, this increase can only be expected to continue.

5. PROGRESS TO DATE

Following the approach from the Selwyn District Council, the EMT Facilities Sub-Committee established a project team to investigate the options and affordability of the proposal. The brief for the project team was to investigate scale and scope of services required to meet the DHB’s future strategic direction and compare the options of leasing facilities in Rolleston versus building and or refurbishing facilities on the Canterbury DHB owned site in Lincoln.

The project team has:

- Completed a concept plan and schedule of accommodation (in consultation with the relevant clinical leaders) to meet future needs for a new primary birthing unit, office space for Canterbury DHB rural community services (currently leasing space in Rolleston), and room for specialist outpatient clinics alongside a dental clinic for child and adolescent oral health care.
- Concluded the facility design and fit-out cost calculations, and negotiated a leasing arrangement with the Council (up to 35 years, with any rent increases based on Canterbury DHB revenue increases rather than CPI).
- Reached an agreement with Selwyn District Council to take a 9(2)(b)(ii) [REDACTED]
[REDACTED]
[REDACTED]
- Undertaken a cost comparison with developing the similar birthing facilities in-house on the Lincoln Hospital site.

6. **FINANCIAL IMPACT**

The current cost of birthing and postnatal care is strongly influenced by historical custom and practice. Best clinical advice is that a significant proportion of the >5,000 women birthing at Christchurch Women's Hospital could safely birth in a modern purpose-built primary birthing unit as we already have in Rangiora and that is proposed for Rolleston. Of these, approximately 70% are spontaneous vaginal (i.e. straightforward) births. A typical birthing event at Christchurch Women's Hospital costs \$1,910 compared to a typical event cost of \$578 in a primary birthing unit. While we should be cautious in any assumptions in bed occupancy at Christchurch Women's Hospital there is real potential for reduction in costs of outsourcing of birthing and postnatal care to external providers (as is currently the case). A typical birthing event in these circumstances costs 9(2)(b) (birthing and postnatal care), or 9(2)(b) (postnatal care only) respectively. A projection of the current annual volume of such outsourcing predicts more than 1300 people receiving birthing and/or postnatal care outside of Canterbury DHB facilities at a cost of \$1.7m even though there is spare capacity within Canterbury DHB's primary units. A reduction in such outsourcing would more than cover the difference in lease over build costs for a new facility in Rolleston (see below).

The financial implications of entering into a lease in Rolleston rather than refurbishing and extending the facilities in Lincoln will constitute an additional cost to the Canterbury DHB of 9(2)(b) over 30 years. While this clearly represents an extra cost to the alternative, it does not factor in the opportunity costs and strategic advantages of locating services to Rolleston Town Centre and providing easier access to more people within the District. It is difficult to accurately cost the benefit of the proximity and ease of access for any future population, however, under the current projections and growth plans for the District a health facility in Rolleston will:

- Be located within the largest (future) urban conurbation within the Selwyn District.
- Be adjacent to the St. John Ambulance Station and would have direct access to the new Southern Motorway which promises to reduce travel time from Rolleston to the Christchurch CBD from 30 minutes to 15 minutes when it is completed in 2020.
- Provide better access for maternal health care than Lincoln (13 kms away) and enable a faster transfer to Christchurch Women's Hospital in an emergency.
- Be more conveniently located to provide access to child and adolescent dental health services.
- Offer the benefits of co-location and integration with a general practice, radiology services, pharmacy, blood collection and other community health and social services.
- Enable a reduction in the outsourcing of primary birthing and post-natal care.

7. **CONCLUSION**

The Selwyn District Council is seeking a response from Canterbury DHB by July 2019 in order to meet the Council's Finance and Facilities approval process. Should the Board support a formal leasing agreement with Selwyn District Council, a number of internal procedures will need to be undertaken. This includes the DHB meeting its obligation to engage with local communities and any affected staff (i.e. staff currently employed at Lincoln Hospital), and also to formally advise the Ministry of Health. To expedite the process some of this activity can be developed in parallel with the negotiation process.

If approval between the Canterbury DHB and Selwyn District Council is achieved, construction is scheduled to commence in September 2019 and work to a 12 month building timetable enabling the new facilities to be up and running by the end of 2020.

8. **APPENDICES**

- Appendix 1: Selwyn births 2006 – 09 by census area
- Appendix 2: Selwyn births 2015 – 18 by census area
- Appendix 3: Selwyn births 2015 – 18 by relative proximity to Rolleston and Lincoln
- Appendix 4: Change in travel time by location of maternity services
- Appendix 5: Selwyn births by birthing facility 2015 – 18

Report prepared by: Wayne Turp, Team Leader, Child & Youth Health

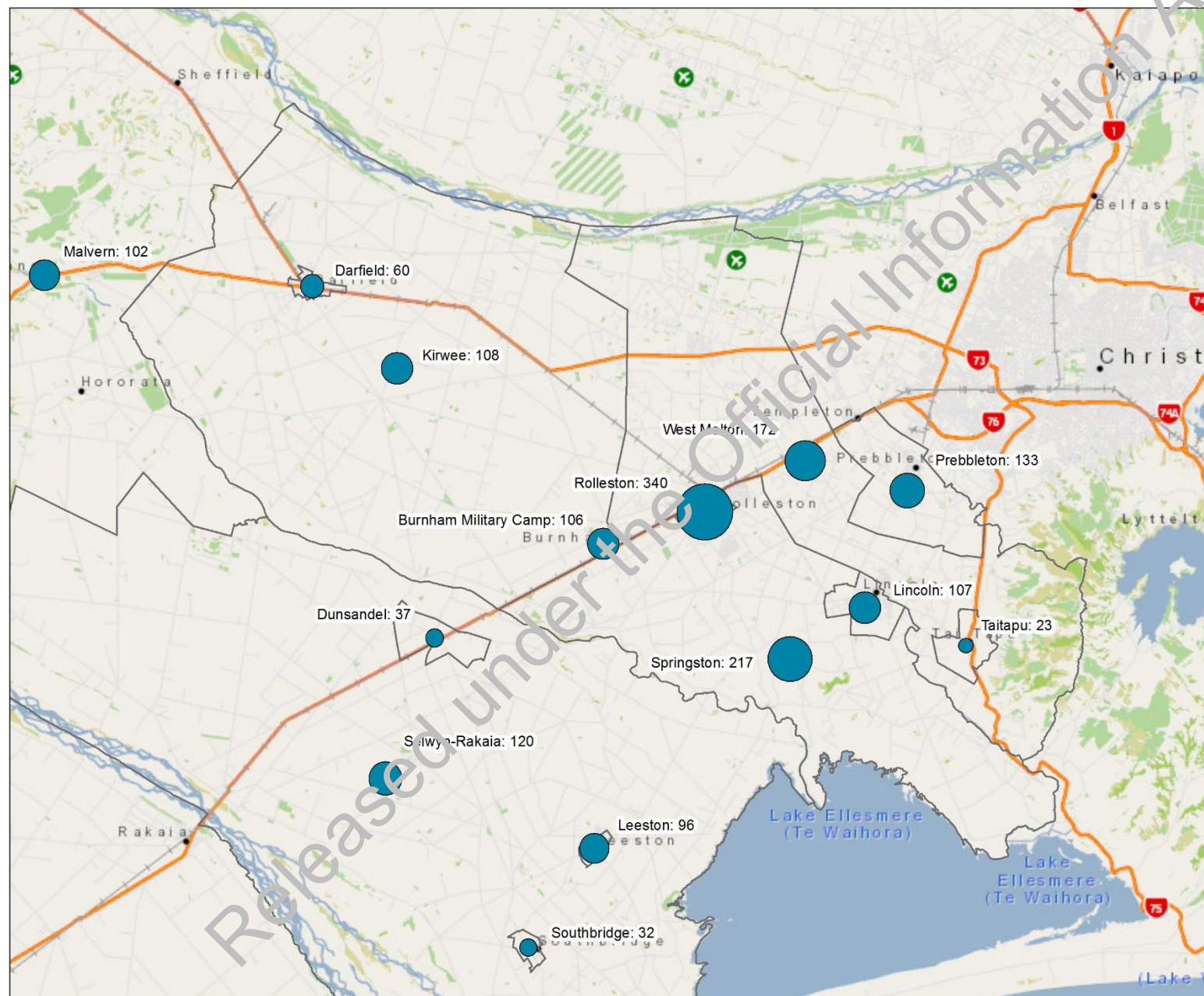
Report approved for release by: Carolyn Gullett, Executive Director, Planning Funding & Decision Support

SELWYN DISTRICT HEALTH HUB PROPOSAL

Canterbury

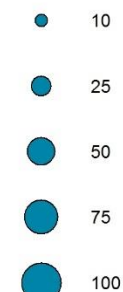
District Health Board

Te Poari Hauora o Waitaha



Selwyn District:
Births by Census Area Unit*
2006-2009

Births by Area Unit



*2006 Census Area Unit boundaries are used on this map

The Springston CAU included areas which in 2013 were split to form additional CAUs in Rolleston as that community expanded south and south-east.

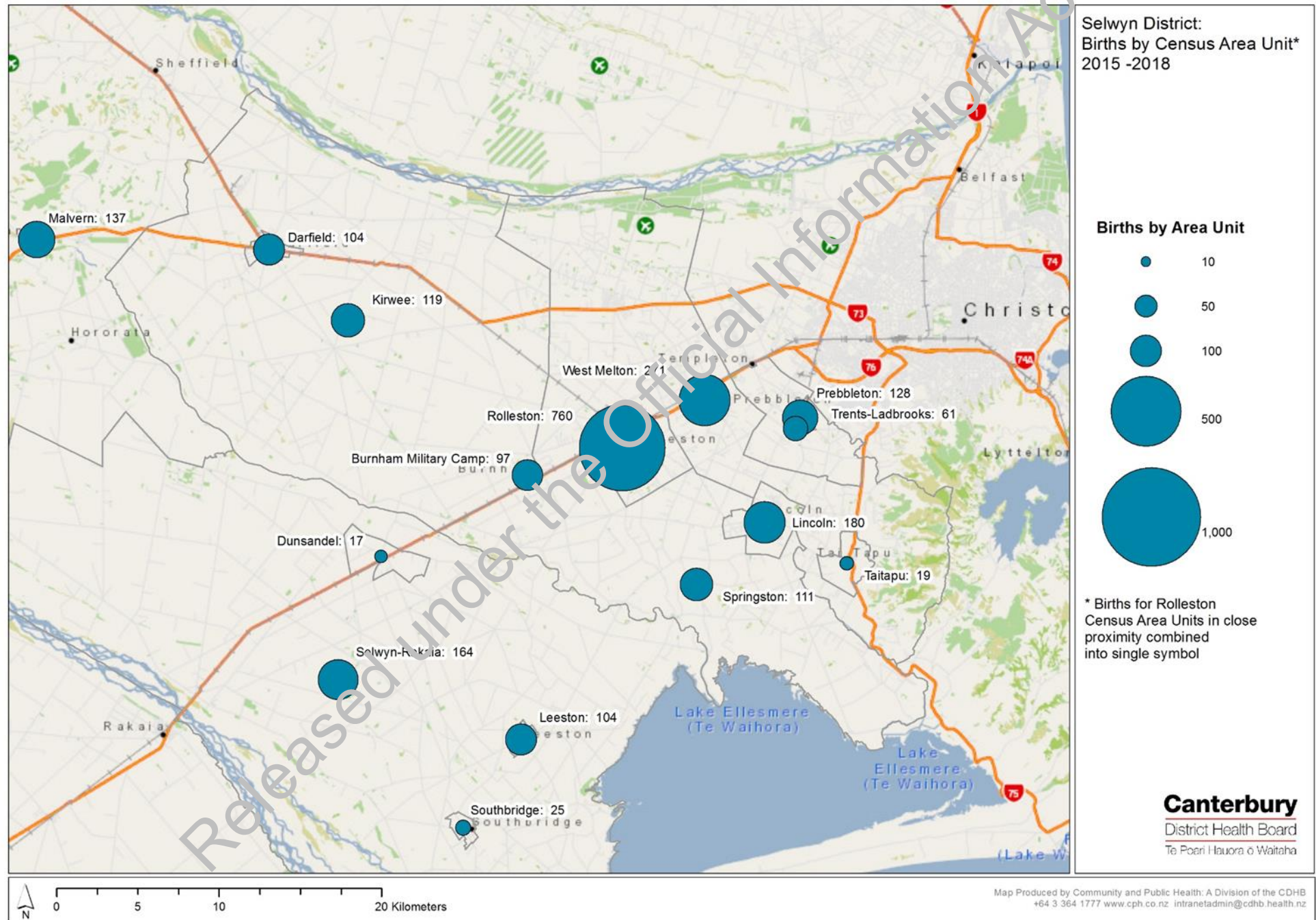
Similarly, the Prebbleton CAU was split to form the 2013 boundaries of the Prebbleton and Trents-Ladbrooks census area units.

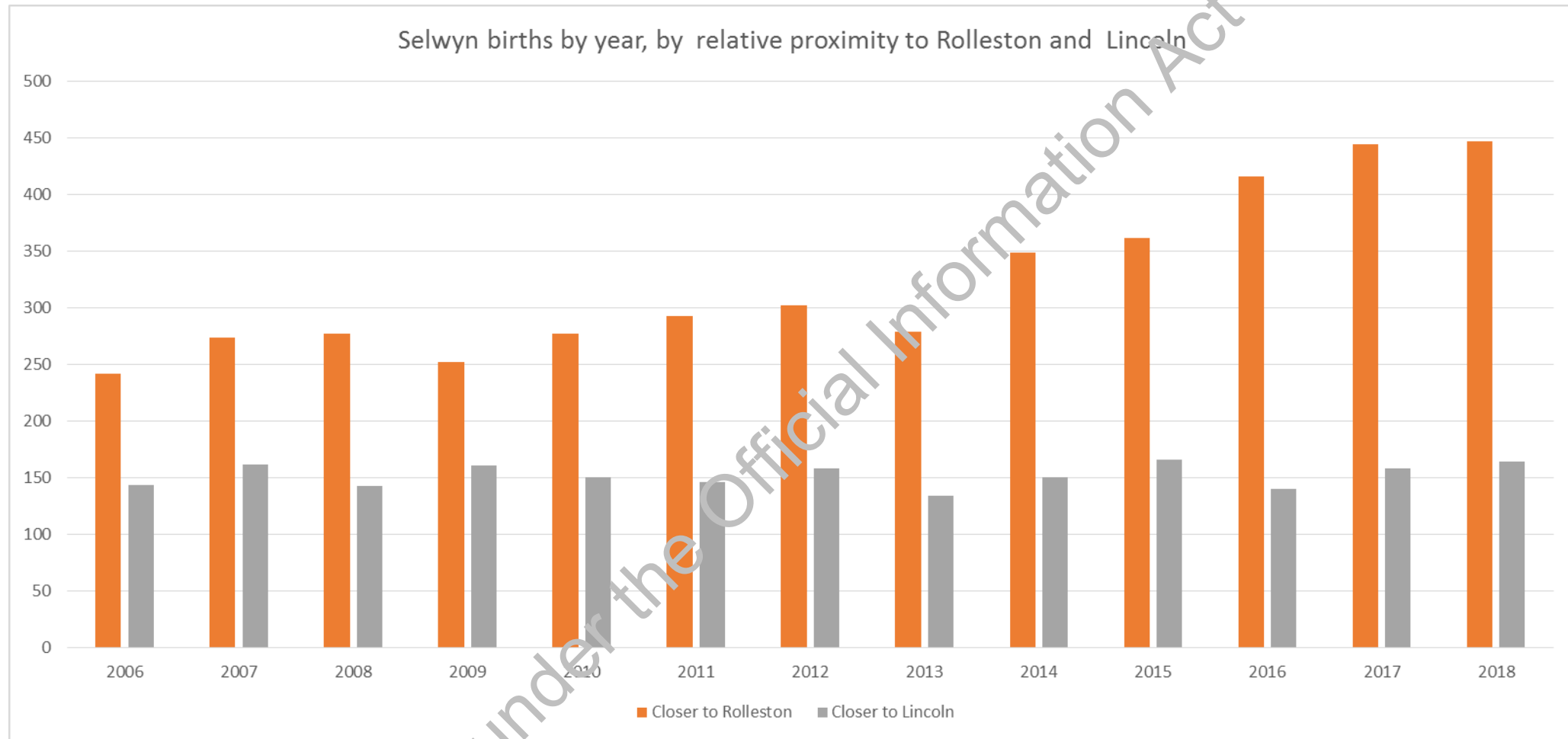
The map omits 2 births coded to Ellesmere domicile - which did not have a corresponding 2006 boundary

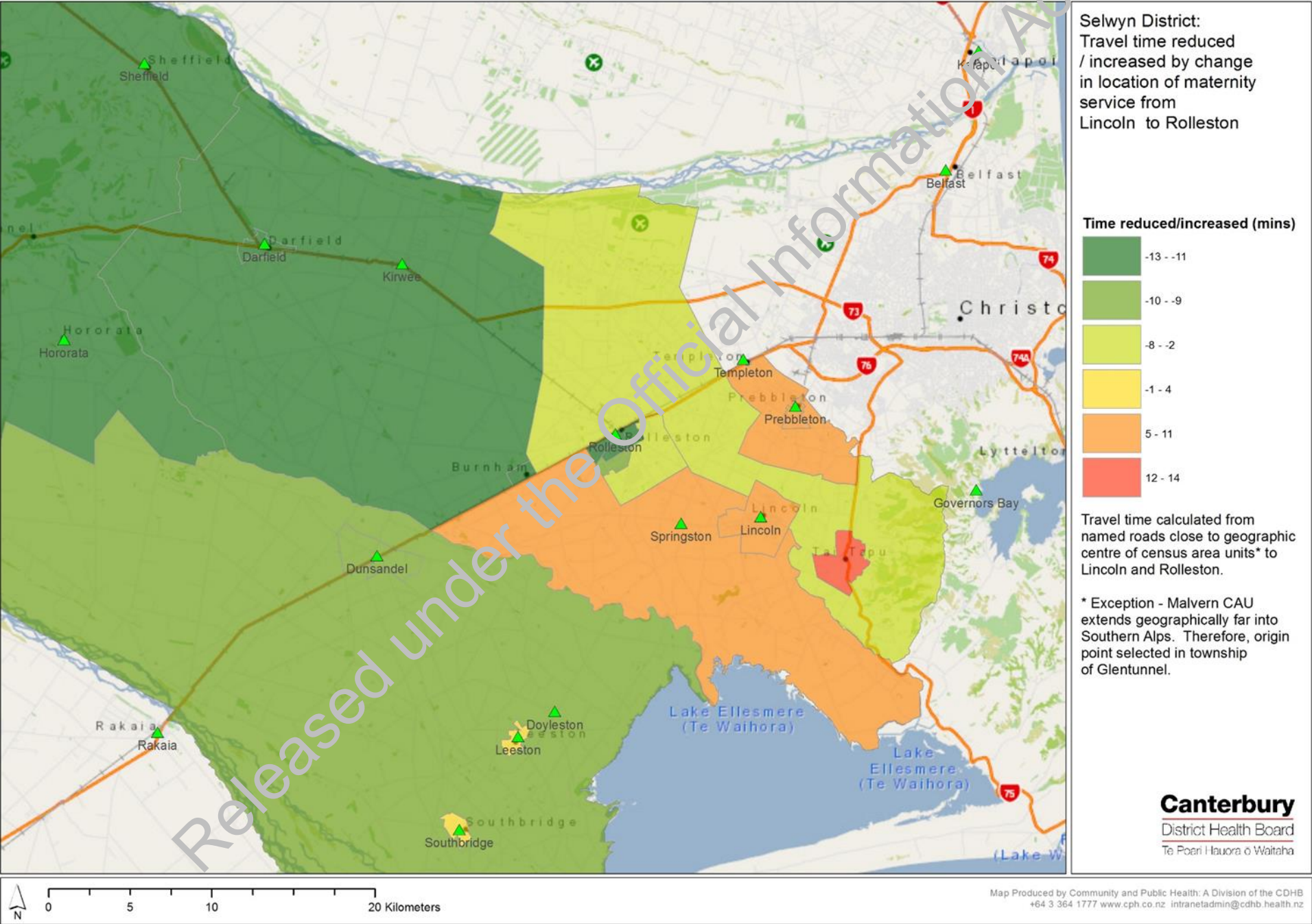
Canterbury

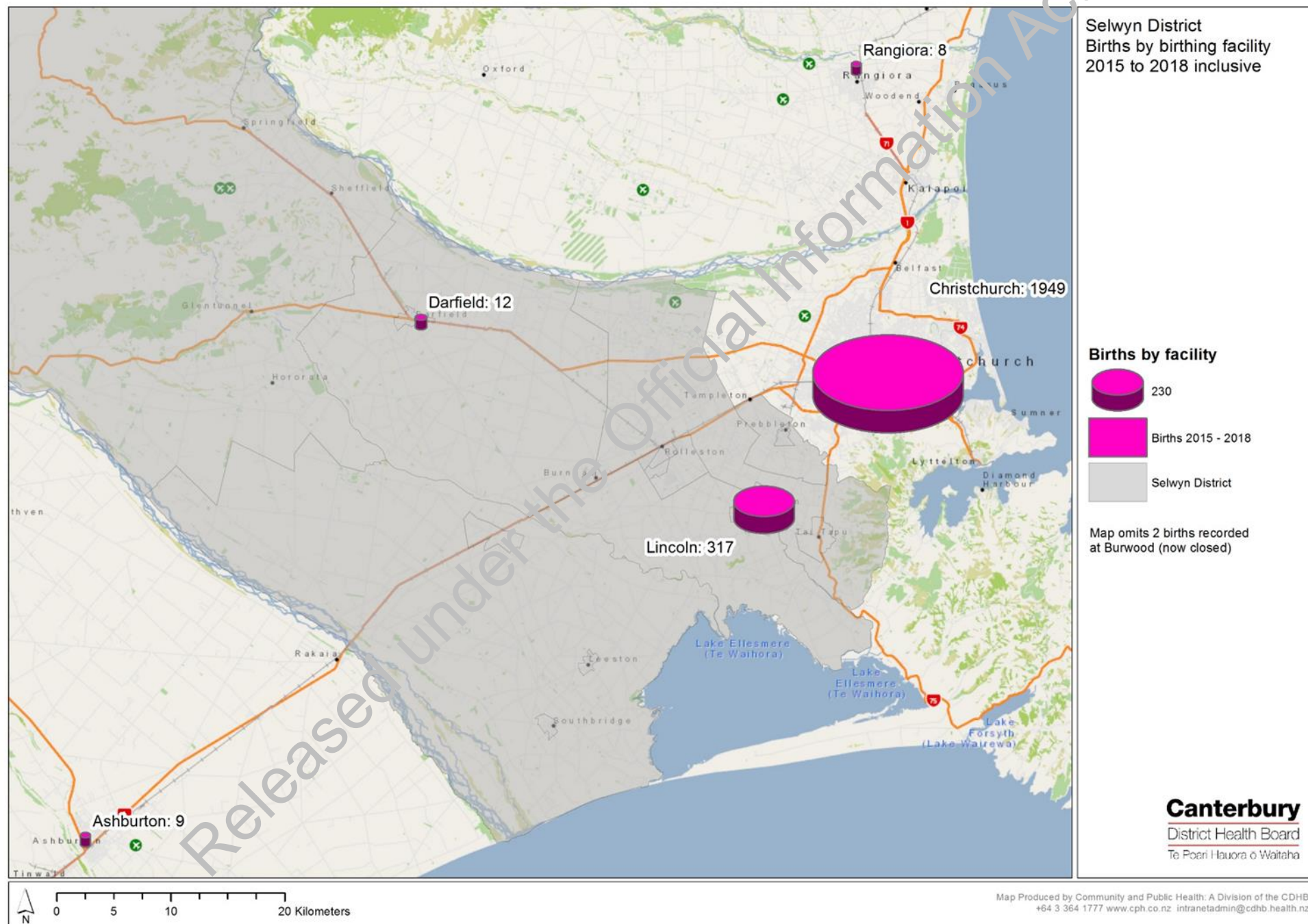
District Health Board

Te Poari Hauora o Waitaha









TO: Chair and Members, Canterbury District Health Board

PREPARED BY: Wayne Turp, Planning & Funding, Team Leader Child & Youth Health

APPROVED BY: Carolyn Gullery, Executive Director, Planning Funding & Decision Support

DATE: 25 February 2020

Report Status – For:	Decision <input checked="" type="checkbox"/>	Noting <input type="checkbox"/>	Information <input type="checkbox"/>
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1. ORIGIN OF THE REPORT

In July 2019, QFARC recommended that the Board approve the proposal to enter into a formal leasing agreement with Selwyn District Council to occupy a purpose-built facility for the provision of integrated health care for the Selwyn District based in Rolleston town centre.

Approval is now required for the capital required to fit-out the Canterbury DHB leased premises, and approval of the Lease Agreement that has been negotiated with Selwyn District Council.

2. RECOMMENDATION

That the Board, as recommended by the Quality, Finance, Audit and Risk Committee:

- i. notes that 9(2)(b) has previously been approved by management for the concept design to inform Canterbury DHB's fit-out cost;
- ii. approves a further 9(2)(b)(ii) to fit-out the Canterbury DHB leased premises; which means a total project cost fit-out cost of 9(2)(b)(iii) as outlined in Appendix 1;
- iii. approves and signs the Agreement to Lease in the form attached in Appendix 2;
- iv. agrees to moving services off the Lincoln site and urgently commence a process around determining the future of the site; and
- v. notes the intention to continue to pursue a funding pathway for the fit-out costs through the Capital Investment Committee.

Further, that the Board:

- vi. notes that Part 6 of this paper refers to Leased Premises of 1,184.67m² subject to survey. This has now been updated to 1,194.66m² subject to survey (plus the CDHB's proportionate share of costs of common areas based on CDHB's Leased Premises in relation to the total building).

3. BACKGROUND

Selwyn District Council approached CDHB to build a purpose-built facility in Rolleston Town Centre as part of its plan to create a health and social services hub in line with the Rolleston Town Centre Master Plan.

A detailed proposal on entering into a leasing agreement with Selwyn District Council for this was supported by QFARC at its meeting on 2 July 2019 and subsequently approved by the Board on 18 July 2019. Having received approval to proceed with the proposal, CDHB has agreed in principle the terms of the lease with Selwyn District Council, advised the Ministry of Health of the proposal, engaged with affected staff, and established a facilities design process.

4. **SUMMARY**

The CDHB presence within the Selwyn Health Hub will comprise:

- A birthing unit with:
 - 10 post-natal beds
 - 2 birthing rooms
 - 2 assessment rooms
- A dental unit with:
 - 3 chairs
 - 1 assessment/interview room
- Community services area with:
 - 6 clinic/interview rooms
 - 10 “hot desks”

In terms of timeframes, Selwyn District Council anticipate commencement of construction in March 2020 with completion for tenant occupation in July 2021.

The Selwyn District Council propose to accommodate other complementary health tenants in the Selwyn Health Hub, including a general practice, radiology and other complementary health care providers.

5. **FIT-OUT COST**

Capital expenditure of 9(2)(b)(ii) is required for the construction of the CDHB fit-out of the CDHB leased premises. 9(2)(b) has been previously approved pursuant to a separate business case for engagement of consultants for concept design and to inform fit-out cost.

The total capital cost of the CDHB fit-out of the leased premises is therefore 9(2)(b)(ii).

For more details, refer to the Business Case attached as Appendix 1.

6. **AGREEMENT TO LEASE**

The Lease is on the latest edition of the Auckland District Law Society Standard form Agreement/Deed of Lease. The key commercial terms are summarised as follows:

- **Leased Premises:** part of the landlord's building comprising 1,184.67m² subject to survey; (plus a contribution towards common areas).
- **Initial Term:** 10 years.
- **Rights of Renewal:** 10 + 10 + 4 (34 years total if all renewals are exercised).
- **Commencement Date:** the earlier of:
 - six months after the Access Date (as defined, when landlord's works are sufficiently complete and watertight for CDHB to have unimpeded access for fit-out); and
 - the date that CDHB commences normal operations from the premises.
- **Rental:** 9(2)(b)(ii) (common area rent 9(2)(b)(ii)) plus GST.
- **Rent Review:** 9(2)(b)(ii)
- **Landlord Contribution:** for landlord works to be completed by CDHB as part of CDHB fit-out; 9(2)(b)(ii) plus GST payable on the Access Date (as defined).
- **Practical Completion:** the date the Landlord and CDHB agree the landlord works have been completed (and failing agreement, as determined by an Expert).

The form of lease is attached as Appendix 2.

The agreed Preliminary Design and Outline Specification (that details the building including structures, plant, building services, fixtures, fittings, stairwells, lifts, showers, toilets and equipment to be constructed by the Landlord) is attached to the Agreement to Lease. The Lease provides that the Detailed Plans and Specifications once fully developed require approval by CDHB.

7. APPENDICES

Appendix 1: Fit-Out Business Case

Appendix 2: Agreement to Lease

Released under the Official Information Act

Selwyn Health Hub

NPV's (1,230m2) - warm shell

	M2	Lease Rate	Total CAPEX outflow (30 YEARS)	Total net OPEX income/(expense) (30 YEARS)	Total Cash flow before Depn/capital charge (30 years)	NOTIONAL NET Profit/(Cost) after depn/capital charge (30 Years)	NPV (30 years)
Lease Rolleston	9(2)(b)(ii)						

CANTERBURY DISTRICT HEALTH BOARD

PROJECT ANALYSIS SUMMARY

Annual Rental increase Assumption 1.5%

DIVISION: Planning & Funding
PROJECT: Selwyn Health Hub
Lease Option - \$300m2 (Warm shell)

Reference	Year 0 2019/20	Year 1 2020/21	Year 2 2021/22	Year 3 2022/23	Year 4 2023/24	Year 5 2024/25	Year 6 2025/26	Year 7 2026/27	Year 8 2027/28	Year 9 2028/29	Year 10 2029/30	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Total
1 <u>Operating Revenue</u>	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1.1																		0
																		0
																		0
TOTAL OPERATING REVENUE (TOR)	-	-	-	-	-	-	0	0	0	0	0	0	0	0	0	0	0	0
2 <u>Operating Costs incl. COGS</u>																		
2.1		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross profit		9(2)(b)(ii)																
2.1 Rental Expense																		
2.2 Operating Expenditure																		
2.3 Savings of leasing cost for Rural Community Services																		
TOTAL OPERATING COSTS INCL. COGS	0																	
NET OPERATING CASHFLOW	0																	
3 <u>Capital Investment</u>	9(2)(b)(ii)																	
3.1 Construction Works																		
3.2 Design and construction contingency																		
3.3 Professional Fees																		
3.4 FF&E																		
3.5 Building Consents																		
3.6 Project Contingency																		
3.7 Escalation																		
3.8 CDHB IT Costs																		
3.9 Decanting and Relocation Costs																		
3.9a Concept Design																		
TOTAL CAPITAL INVESTMENT																		
NET CASHFLOW																		
Depreciation																		
Interest/Capital Charge expense (assumed 6%)																		
NOTIONAL NET PROFIT/(COST)																		
4 <u>Return on Investment</u>																		
4.1 NPV at 6% over 30 Years																		

Ref (see below)

Additional Information:
9(2)(b)(ii)

CANTERBURY DISTRICT HEALTH BOARD

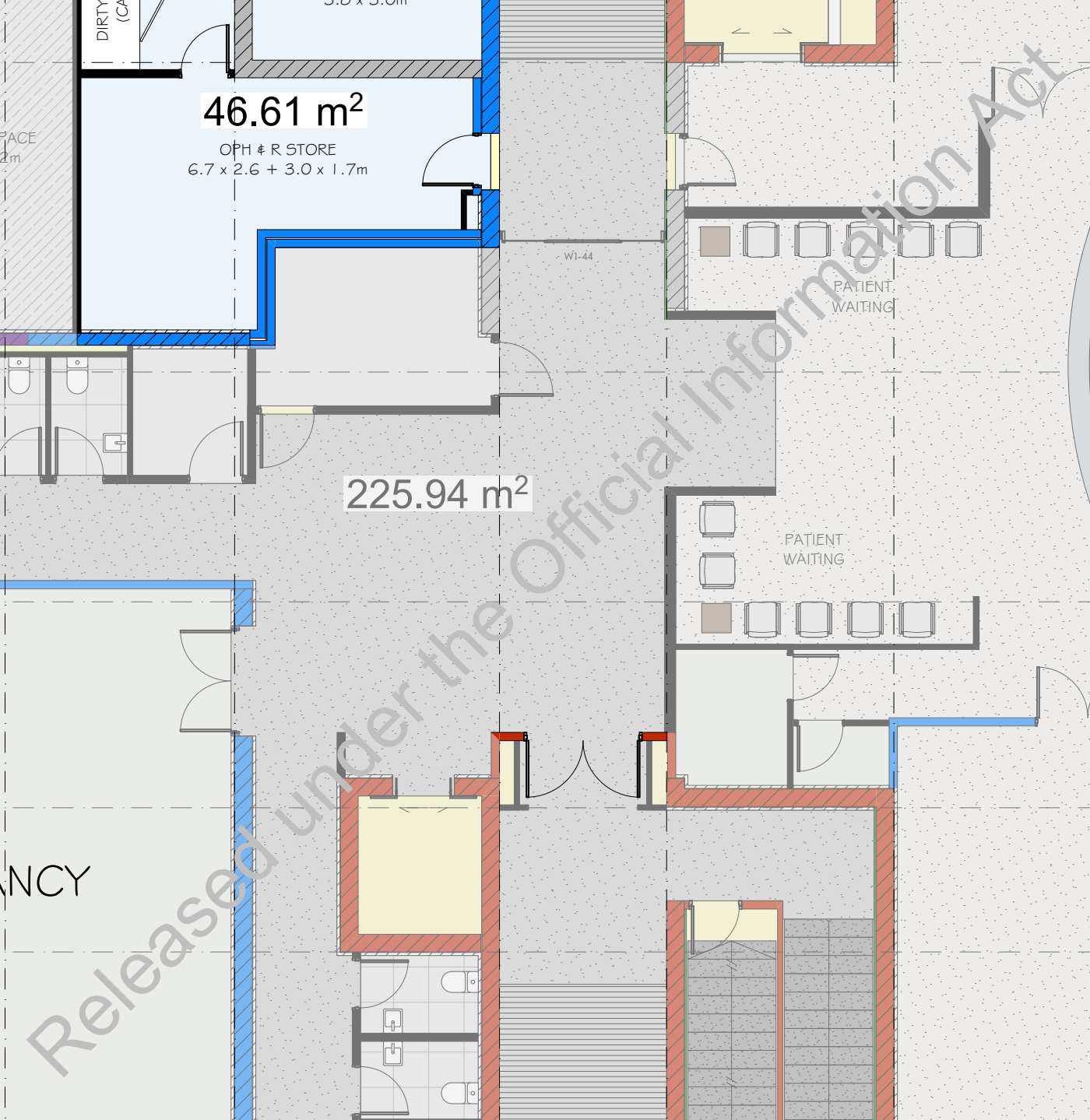
PROJECT ANALYSIS SUMMARY

Annual OPEX increase assumption 1.5%

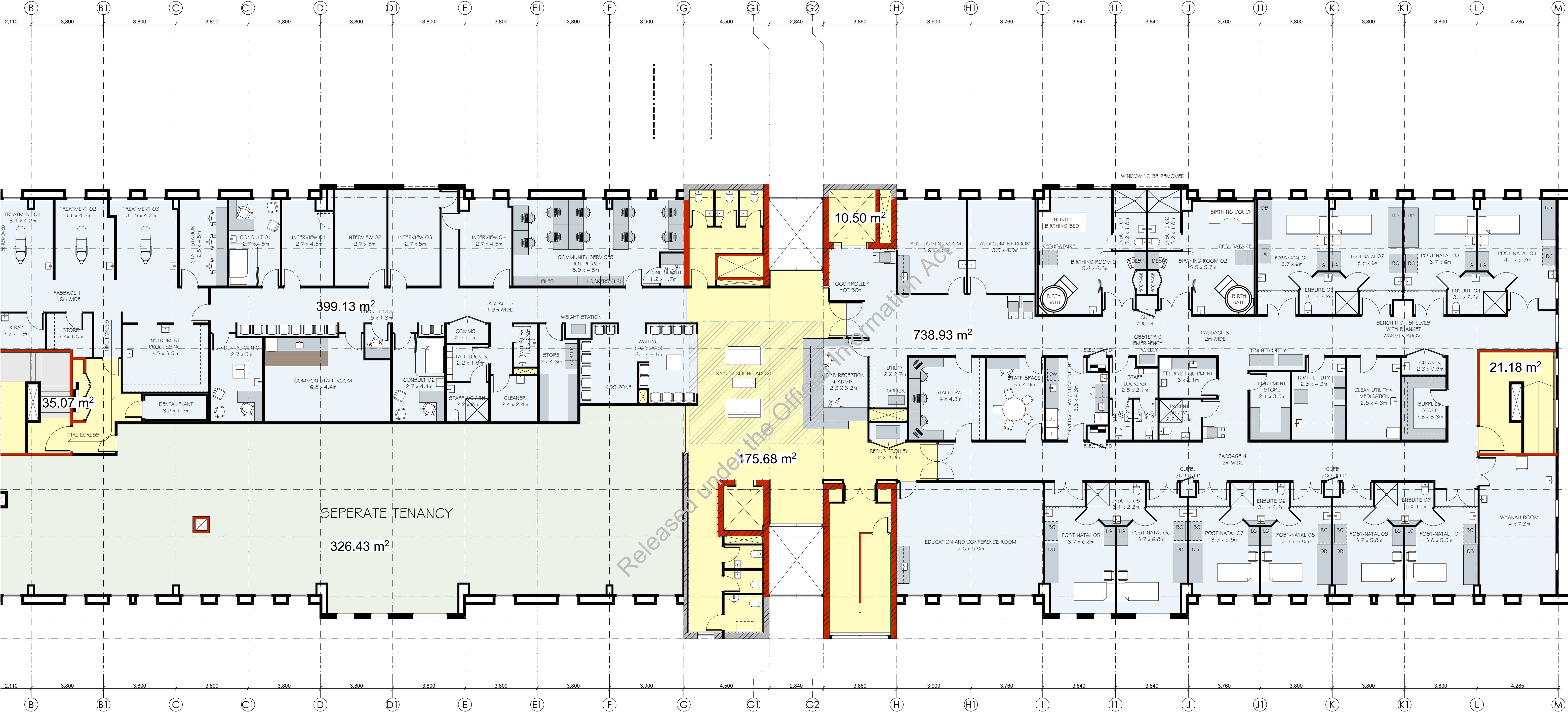
DIVISION: Planning & Funding
PROJECT: Selwyn Health Hub
Repair and Refurbish existing Lincoln facility

Reference	Year 0 2019/20	Year 1 2020/21	Year 2 2021/22	Year 3 2022/23	Year 4 2023/24	Year 5 2024/25	Year 6 2025/26	Year 7 2026/27	Year 8 2027/28	Year 9 2028/29	Year 10 2029/30	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Total	Ref (see below)
1	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Operating Revenue																			
1.1																			
TOTAL OPERATING REVENUE (TOR)	-	-	-	-	-	-	0	0	0	0	0	0	0	0	0	0	0	0	
2																			
Operating Costs incl. COGS																			
2.1		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Gross profit		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
2.1 Operating expenditure for Lincoln		9(2)(b)(ii)																	
2.2 Leasing cost for Rural Community Services																			
2.3																			
2.4																			
2.5																			
2.6																			
TOTAL OPERATING COSTS INCL. COGS	0																		
NET OPERATING CASHFLOW	0																		
3		9(2)(b)(ii)																	
Capital Investment																			
3.1 Design and construction contingency																			
3.2 EQ repairs (to 40% of code)																			
3.3 Deferred Maintenance																			
3.4 Fitout - refurbishment (QS estimate - no scope)																			
3.5 External consultants																			
3.6 Fitout - equipment																			
3.7 Land value																			
TOTAL CAPITAL INVESTMENT																			
NET CASHFLOW																			
Depreciation																			
Interest/Capital Charge expense (assumed 6%)																			
NOTIONAL NET PROFIT/(COST)																			
4		9(2)(b)(ii)																	
Return on Investment																			
4.1 NPV at 6% over 30 Years																			
Calculation check																			

Additional Information:
9(2)(b)(ii)



GROUND FLOOR AREAS



TOTAL CDHB GROUND FLOOR AREA:	46.61 m ²
TOTAL CDHB FIRST FLOOR AREA:	1138.06 m ²
TOTAL CDHB FLOOR AREA:	1184.67 m ²

SELWYN HEALTH HUB

NORMAN KIRK DRIVE

FIRST FLOOR AREAS

01	12/12/2019	AMENDED AREA CALCULATIONS	JOB NO.	2041
			SCALE @ A1	1:100
			SHEET NO:	AREA 2
			REVISION	01

SELWYN HEALTH HUB

CDHB FITOUT - CONCEPT ESTIMATE - DECEMBER 2019

Released under the Official Information Act

Selwyn Health Hub

CDHB Fitout - Concept Estimate - November 2019

Location Summary

NLA: Net Letable area
Rates Current At November 2019

Location	NLA m ²	Cost/m ²	Total Cost
A BASIS OF ESTIMATE			
A1 This is a high level concept estimate for the CDHB fitout works at Selwyn Health Hub.			
A - BASIS OF ESTIMATE			
B DOCUMENTS USED			
B1 IKON Drawing A3			
B2 PFC Fire Protection Documents			
B - DOCUMENTS USED			
C CONSTRUCTION WORKS			
C1 Fitout Costs			
C2 CDHB Direct Costs			
C3 Hospital Kitchen Costs			
C4 Landlord Contributions and Costs			
C5 Generator 150kVA			
C - CONSTRUCTION WORKS			
D DESIGN AND CONSTRUCTION CONTINGENCY			
D1 Design Contingency			
D2 Construction Contingency			
D - DESIGN AND CONSTRUCTION CONTINGENCY			
E PROFESSIONAL FEES			
E1 Professional Fees			
E - PROFESSIONAL FEES			
F FF&E			
F1 FF&E			
F2 Birthing Pools			
F3 ISG Items			
F4 Dental Chairs			
F - FF&E			
G DEVELOPMENT COSTS			
G1 Resource Consent			
G2 Building Consent			
G3 Insurance			
G4 Development Contributions			
G - DEVELOPMENT COSTS			
H PROJECT CONTINGENCY			
H1 Project Contingency			
H - PROJECT CONTINGENCY			

9(2)(b)(ii)

Selwyn Health Hub

CDHB Fitout - Concept Estimate - November 2019

Location Summary

NLA: Net Letable area
Rates Current At November 2019

Location	NLA m ²	Cost/m ²	Total Cost
I ESCALATION			
I1 Completion Q1 2021			9(2)(b)(ii)
I - ESCALATION			
J EXCLUSIONS			
J1 GST			
J2 CDHB Internal Management Fees			
J3 CDHB IT Costs			
J4 Works outside the project area			
J5 Major infrastructure upgrades			
J6 Existing compliance issues in existing building			
J9 All works outside letable area			
J10 Any works relating to the Lincoln site			
J11 Shower set downs			
J12 Intertenancy wall and door - this is assumed to be a landlord contribution			
J14 Water tanks for Potable water			
J15 New Dental Chairs			
J16 New Dental Joinery			
J - EXCLUSIONS			
ESTIMATED TOTAL COST			9(2)(b)(ii)

AGREEMENT TO LEASE

This form is approved by Auckland District Law Society Inc and the Real Estate Institute of New Zealand Inc

GENERAL address of the premises:
Norman Kirk Drive, Rolleston

DATE:

LANDLORD: SELWYN DISTRICT COUNCIL

TENANT: CANTERBURY DISTRICT HEALTH BOARD

GUARANTOR:

THE LANDLORD agrees to grant and the Tenant agrees to take a lease of the premises and the carparks (if any) described in the First Schedule together with the right to use the common areas of the property for the term from the commencement date and at the annual rent (subject to review if applicable) as set out in the First Schedule.

THE LANDLORD AND TENANT agree

- (1) as set out in the First, Second and Third Schedules
- (2) that the Landlord's fixtures, fittings and chattels contained in the premises are those described in the Fourth Schedule.

~~**THE GUARANTOR** (and if more than one jointly and severally), in consideration of the Landlord entering into this Agreement at the Guarantor's request, agrees with the Landlord to guarantee to the Landlord the obligations of the Tenant and to sign the Lease as a guarantor.~~

SIGNED by the Landlord:

Director / Trustee / Authorised Signatory / Attorney*
Delete the options that do not apply
If no option is deleted, the signatory is signing in their personal capacity

SIGNED by the Tenant:

Director / Trustee / Authorised Signatory / Attorney*
Delete the options that do not apply
If no option is deleted, the signatory is signing in their personal capacity

SIGNED by the Guarantor:

~~Director / Trustee / Authorised Signatory / Attorney*~~
Delete the options that do not apply
If no option is deleted, the signatory is signing in their personal capacity

*If this Agreement is signed under:

- (i) a Power of Attorney – please attach a **Certificate of non-revocation** (available from ADLS: 4098WFP or REINZ); or
- (ii) an Enduring Power of Attorney – please attach a **Certificate of non-revocation and non-suspension of the enduring power of attorney** (available from ADLS: 4997WFP or REINZ).

Also insert the following wording for the Attorney's Signature above:

Signed by [full name of the donor] by his or her Attorney [attorney's signature].

WARNINGS (These warnings do not form part of this contract)

1. This contract is binding on all parties upon signing. All parties should seek legal advice **before signing**.
2. Before signing this contract the Tenant should make sure that the status of the property under the Resource Management Act 1991 is satisfactory for the Tenant's intended use of it.
3. The parties should agree upon and record the Landlord's fixtures, fittings and chattels and their condition in the Fourth Schedule.
4. The parties are advised to insert a clause requiring inclusion of a report of the condition of the premises as at the commencement of the lease.

FIRST SCHEDULE

1. **PREMISES:** That part of the building (the Building) at Norman Kirk Drive, Rolleston (more particularly described as section 4 SO 487640) as is shown on the plans attached as the Fifth Schedule and having an area of 1,194.66m²

2. **CAR PARKS:** NIL

3. **TERM:** Ten (10) years
The earlier of:

4. **COMMENCEMENT DATE:** (a) The date the Tenant commences normal operations from the Premises; or
(b) Six (6) months from the Access Date

5. **RIGHTS OF RENEWAL:** Two (2) of ten (10) years each and one (1) of four (4) years

6. **RENEWAL DATES:** The tenth (10th), twentieth (20th) and thirtieth (30th) anniversaries of the Commencement Date

7. **FINAL EXPIRY DATE:**

8. **ANNUAL RENT:** See clause 18.3
(Subject to review if applicable)

Premises	\$			plus GST
Car Parks	\$			plus GST
TOTAL	\$			plus GST

9. **DEPOSIT:** \$NIL plus GST
(advance rent)

10. **RENT REVIEW DATES:** 1. Market rent review dates:
(Specify review type and insert dates for initial term, renewal dates and renewal terms. Unless dates are specified there will be no reviews. Where there is a conflict in dates, the market rent review date will apply.)

2. CPI rent review dates:

9(2)(b)(ii)

11. **DEFAULT INTEREST RATE:** means the Landlord's overdraft rate % per annum
(subclause 5.1 of the Lease) with its principal bank which shall be a registered bank, at the date of default

12. **BUSINESS USE:** Health and medical facilities and any ancillary uses
(subclause 16.1 of the Lease)

- 13. LANDLORD'S INSURANCE:**
(subclause 23.1 of the Lease)
(Delete or amend extent of cover as appropriate)
- (Delete either (a) or (b): if neither option is deleted, then option (a) applies)
- (Delete option (i) and complete option (ii) if required. If option (i) is not deleted and option (ii) is completed then option (ii) applies)
- (1) Cover for the building against damage and destruction by fire, flood, explosion, lightning, storm, earthquake, and volcanic activity; on the following basis:
- (a) Full replacement and reinstatement (including loss damage or destruction of windows and other glass).
- OR**
- (b) ~~Indemnity to full insurable value (including loss damage or destruction of windows and other glass).~~
- (2) Cover for the following additional risks:
- (a) ~~(i) 12 months~~
OR
~~(ii) _____ months~~
indemnity in respect of consequential loss of rent and outgoings.
- (b) ~~Loss damage or destruction of any of the Landlord's fixtures fittings and chattels.~~
- (c) ~~Public liability.~~
- 14. NO ACCESS PERIOD:**
(subclause 27.6 of the Lease)
- (Delete option (1) and complete option (2) if required. If option (1) is not deleted and option (2) is completed then option (2) applies)
- (1) 9 months
OR
(2) _____
- 15. PROPORTION OF OUTGOING:**
(subclause 3.1 of the Lease)
- The proportion that the net lettable area of the Premises bears to the total lettable area of the Building
to be \$ _____ % which at commencement date is estimated to be \$ _____ plus GST per annum
- 16. LIMITED LIABILITY TRUSTEE:**
- 17. OUTGOINGS:**
(clause 3 of the Lease)
- (1) Rates or levies payable to any local or territorial authority.
 - (2) Charges for water, gas, electricity, telecommunications and other utilities or services, including line charges.
 - (3) Rubbish collection and recycling charges.
 - (4) New Zealand Fire Service charges and the maintenance charges in respect of all fire detection and fire fighting equipment.
 - (5) Any insurance excess (but not exceeding \$2000) in respect of a claim and insurance premiums and related valuation fees.
 - (6) Service contract charges for air conditioning, lifts, other building services and security services.
 - (7) Cleaning, maintenance and repair charges including charges for repainting, decorative repairs and the maintenance and repair of building services to the extent that such charges do not comprise part of the cost of a service maintenance contract, but excluding charges for structural repairs to the building (minor repairs to the roof of the building shall not be a structural repair), repairs due to defects in design or construction, inherent defects in the building and renewal or replacement of building services.
 - (8) The provisioning of toilets and other shared facilities.
 - (9) The cost of maintenance of lawns, gardens and planted areas including plant hire and replacement, and the cost of repair of fences.
 - (10) Yard and carparking area maintenance and repair charges but excluding charges for repaving or resealing.
 - (11) ~~Body Corporate charges for any insurance premiums under any insurance policy effected by the Body Corporate and related valuation fees and reasonable management administration expenses.~~
 - (12) Management expenses.
 - (13) The costs incurred and payable by the Landlord in supplying to the territorial authority a building warrant of fitness and obtaining reports as required by sections 108 and 110 of the Building Act 2004 but excluding the costs of upgrading or other work to make the building comply with the Building Act 2004.

SECOND SCHEDULE

DEFINITIONS, NOTICES AND INTERPRETATION Also refer Further Terms

1.1 Definitions

- (1) Unless the context requires a different interpretation, words and phrases not otherwise defined have the same meaning as in section 4 of the Property Law Act 2007 and the Lease.
- (2) "Agreement" means this document including the front page, any further terms and any schedules and attachments.
- (3) "Working day" means any day of the week other than:
 - (a) Saturday, Sunday, Waitangi Day, Good Friday, Easter Monday, Anzac Day, the Sovereign's Birthday, and Labour Day; and
 - (b) a day in the period commencing on the 24th day of December in any year and ending on the 5th day of January in the following year, both days inclusive; and
 - (c) the day observed as the anniversary of any province in which the premises are situated.
- (4) A Working day shall be deemed to commence at 9.00 am and to terminate at 5.00 pm.
- (5) Any act done pursuant to this agreement by a party after 5.00 pm on a Working day, or on a day which is not a Working day, shall be deemed to have been done at 9.00 am on the next succeeding Working day.
- (6) Where two or more acts (including service of notice) done pursuant to this Agreement are deemed to have been done at the same time, they shall take effect in the order in which they would have taken effect but for subclause 1.1(5).

1.2 Notices

All notices must be in writing and must be served by one of the following means:

- (1) In the case of a notice under sections 245 or 246 of the Property Law Act 2007 in the manner prescribed by section 353 of that Act; and
- (2) In all other cases, unless otherwise required by sections 352 to 361 of the Property Law Act 2007:
 - (a) in the manner authorised by sections 354 to 361 of the Property Law Act 2007, or
 - (b) by personal delivery, or by posting by registered or ordinary mail, or by facsimile, or by email.
- (3) In respect of the means of service, a notice is deemed to have been served:
 - (a) In the case of personal delivery, when received by the addressee.
 - (b) In the case of posting by mail, on the second working day following the date of posting to the addressee's last known address in New Zealand.
 - (c) In the case of facsimile transmission, when sent to the addressee's facsimile number.
 - (d) in the case of email, when acknowledged by the addressee orally or by return email or otherwise in writing except that return emails generated automatically shall not constitute an acknowledgement.
- (4) In the case of a notice to be served on the Tenant, if the Landlord is unaware of the Tenant's last known address in New Zealand or the Tenant's facsimile number, any notice placed conspicuously on any part of the premises shall be deemed to have been served on the Tenant on the day on which it is affixed.
- (5) A notice shall be valid if given by any director, general manager, lawyer or other authorised representative of the party giving the notice.
- (6) Where two or more notices are deemed to have been served at the same time, they shall take effect in the order in which they would have been served but for subclause 1.1(5).
- (7) Any period of notice required to be given under this agreement shall be computed by excluding the date of service.

1.3 Interpretation

- (1) Headings are for information only and do not form part of this Agreement.
- (2) The terms, conditions and covenants contained in this Agreement shall not merge insofar as they either have not been fulfilled at the time of the execution of the Lease or are not reflected in the Lease but shall remain in full force and effect.

1.4 If there is more than one Landlord or Tenant, the liability of the Landlords or the Tenants as the case may be is joint and several.

1.5 Where the Tenant executes this Agreement with provision for a nominee or on behalf of a company to be formed, the Tenant shall remain liable for all the obligations on the part of the Tenant hereunder until such time as the Tenant and the Guarantor have signed the Lease.

1.6 This agreement may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument. Communication of execution of this agreement may be made by each party transmitting by facsimile or email to the other party or their respective agents a counterpart of this agreement executed by the party sending the facsimile or email.

DEPOSIT

~~2.1 The Tenant shall pay as a deposit an advance rental payment of the amount specified in the First Schedule. The deposit shall be payable to the Landlord or the Landlord's agent immediately upon execution of this Agreement by all parties and/or at such other time as is specified in this Agreement. The person to whom the deposit is paid shall hold it as a stakeholder until this Agreement is unconditional or is avoided.~~

~~2.2 The Landlord shall not be entitled to cancel this Agreement for non-payment of the deposit unless the Landlord has first given to the Tenant three working days' notice in writing of intention to cancel and the Tenant has failed within that time to remedy the default. No notice of cancellation shall be effective if the deposit has been paid before the notice of cancellation is served.~~

~~2.3 Without prejudice to any of the Landlord's rights or remedies, including any right to claim for additional expenses and damages, if the deposit or any portion thereof is not paid upon the due date for payment the Tenant shall pay to the Landlord interest at the default interest rate on the portion of the deposit so unpaid for the period from the due date for payment until payment. Unless a contrary intention appears on the front page or elsewhere in this agreement the default interest rate is equivalent to the interest rate charged by the Inland Revenue Department on unpaid tax under the Tax Administration Act 1994 during the period for which the default interest is payable, plus 5 per cent per annum.~~

LEASE PAYMENTS

- 3.1 The Tenant shall pay the annual rent by equal monthly payments in advance as from the commencement date specified in the First Schedule.
- 3.2 The Tenant shall pay the Goods and Services Tax payable by the Landlord in respect of the rent and other payments payable by the Tenant pursuant to the Lease.
- 3.3 In addition to the rent the Tenant shall pay the outgoings specified in the First Schedule and where any outgoing is not separately assessed in respect of the premises then the Tenant shall pay such proportion thereof as is specified in the First Schedule or if no proportion is specified then a fair proportion.

LEASE

- 4.1 The Tenant shall enter into a formal lease with the Landlord to be prepared by the Landlord's lawyer using the current Auckland District Law Society Inc Deed of Lease form amended in accordance with the provisions of this Agreement ("Lease"). Each party will pay their own costs of the negotiation and preparation of the Lease and any cost recording a rent review or renewal.
- 4.2 Unless otherwise set out in the Third Schedule, it is agreed that the Landlord's fixtures, fittings and chattels contained in the premises as more particularly described in the Fourth Schedule are in a good state of repair.
- 4.3 Notwithstanding that the Lease may not have been executed, the parties shall be bound by the terms, covenants and provisions contained in this Agreement and in the Lease as if the Lease had been duly executed.

DISPUTE RESOLUTION

- 5.1 Unless otherwise provided in this Agreement, if a party considers that there is a dispute in respect of any matters arising out of, or in connection with this Agreement, then that party shall immediately give notice to the other party setting out details of the dispute. The parties will endeavour in good faith to resolve the dispute between themselves within five (5) working days of the receipt of the notice, failing which the parties will endeavour in good faith within a further ten (10) working days to appoint a mediator and resolve the dispute, time being of the essence.
- 5.2 Neither party will commence legal proceedings against the other or seek for injunctive relief before following the procedure set out in subclause 5.1.

NO ASSIGNMENT

- 6.1 The Tenant shall not assign or agree to assign this Agreement or the Tenant's interest under this Agreement and the Tenant shall not register any caveat against the land in respect of its interest under this Agreement. The Tenant shall not be entitled to exercise the right of assignment contained in the Lease until such time as the Tenant has signed the Lease.

AGENT

- ~~7.1 If the name of a licensed real estate agent is recorded on this Agreement it is acknowledged that the lease evidenced by this Agreement has been made through that agent whom the Landlord appoints as the Landlord's agent to effect the Lease. The Landlord shall pay the agent's charges including GST for effecting such Lease.~~

LIMITATION OF LIABILITY

- 8.1 If any person enters into this Agreement as trustee of a trust, then:
 - (1) That person warrants that:
 - (a) that person has power to enter into this Agreement under the terms of the trust; and
 - (b) that person has properly signed this Agreement in accordance with the terms of the trust; and
 - (c) that person has the right to be indemnified from the assets of the trust and that right has not been lost or impaired by any action of that person including entry into this Agreement; and
 - (d) all of the persons who are trustees of the trust have approved entry into this Agreement.
 - (2) If that person has no right to or interest in any assets of the trust except in that person's capacity as a trustee of the trust, that person's liability under this Agreement will not be personal and unlimited but will be limited to the actual amount recoverable from the assets of the trust from time to time ("the limited amount"). If the right of that person to be indemnified from the trust assets has been lost or impaired as a result of fraud or gross negligence that person's liability will become personal but limited to the extent of that part of the limited amount which cannot be recovered from any other person.
- 8.2 Notwithstanding subclause 8.1, a party to this Agreement that is named in item 16 of the First Schedule as a limited liability trustee, that person's liability will not be personal and unlimited but limited in accordance with subclause 8.1(2).

THIRD SCHEDULE

FURTHER TERMS (if any)

SEE ATTACHED FURTHER TERMS



Released under the Official Information Act

FURTHER TERMS

9. ADDITIONAL DEFINITIONS

9.1 In this Agreement unless the context indicates otherwise:

- (a) **Access Date** means the date on which the Premises is available and all Building Works and Services are sufficiently complete and watertight for the Tenant and its contractors to have unimpeded access to commence the Tenant's Fitout or such later date determined in accordance with clause 14.5;
- (b) **Authority** means any local body, government or other authority having jurisdiction or authority over the Premises or the Land, its use or occupation;
- (c) **Building** means the approximately 3,000m² building to be constructed by the Landlord on the Land;
- (d) **Building Contractor** means the construction contractor to be engaged by the Landlord under the Construction Contract and includes the Building Contractor's executors, representatives, successors and permitted assignees;
- (e) **Building Works and Services** means the Building, structures, plant, building services, fixtures (including floor coverings), fittings, stairwells, lifts, showers, toilets and equipment to be constructed, installed and commissioned at the cost of the Landlord as described in the Preliminary Design and Outline Specification excluding the Landlord's Contribution;
- (f) **Construction Contract** means the contract and associated documentation to be entered into between the Landlord and the Building Contractor for the construction of the Building;
- (g) **Date of Tenant Fitout Practical Completion** means the date which Landlord's Representative and the Tenant's Representative agree as the date that the Tenant's Fitout has been completed;
- (h) **Defects** means all defects relating to the Building Works and Services in and to the Premises and/or Building which arise out of the defective workmanship or materials or defective mechanical services (including a failure by any such mechanical services to meet the relevant performance specification);
- Detailed Plans and Specifications** means the detailed design drawings and full specification necessary for the construction of the Building to be prepared by, or on behalf of, the Landlord in compliance with this Agreement, (and which, for the avoidance of doubt, exclude the Tenant's Fitout) and which will be furnished to the Tenant's Representative by the Landlord for approval, such plans to include all aspects of the Building, Building Works and Services, public areas, exterior appearance, site development and landscaping;
- (i) **Expert** means such independent person as agreed by the parties for the purposes of determining any disagreement or dispute under clause 19 (where provision is made for such resolution in this Agreement) or, if the parties cannot agree upon such a person within two (2) working days of either party notifying the other of the need to agree the same, then

such independent person appointed by the President for the time being of the Christchurch Branch of the Institute of Architects;

- (j) **GST** means tax charged under the Goods and Services Tax Act 1985 and includes any tax charged in substitution for that tax;
- (k) **Land** means the land at Norman Kirk Drive, Rolleston more particularly described as section 4 SO 487640;
- (l) **Landlord's Contribution** means the Landlord's contribution to the Tenant's Fitout as set out in clause 14.11;
- (m) **Landlord's Representative** means Douglas Marshall or such other person as may be nominated by the Landlord from time to time;
- (n) **Lease** means the form of lease attached to this Agreement as the Sixth Schedule completed by reference to this Agreement's provisions;
- (o) **Practical Completion** means the date on which the Landlord's Representative and the Tenant's Representative agree that the Building Works and Services have been completed in accordance with clause 13.1;
- (p) **Practical Completion Certificate** means the certificate issued by the Landlord's Representative and the Tenant's Representative in accordance with clause 13.1;
- (q) **Practical Completion Date** means the date when Practical Completion has been achieved in accordance with clause 13.1;
- (r) **Preliminary Design and Outline Specification** means the preliminary design and outline specification set out the Seventh Schedule for the construction of the Building and the Building Works and Services;
- (s) **Programme** means the programme for carrying out the Project (including design, construction, completion and commissioning of the Building Works and Services and the installation and supply of the Tenant's Fitout) as attached as the Eighth Schedule;
- (t) **Project** means all matters contemplated by this Agreement to be undertaken by, for or under the instrumentality of the Landlord in respect of the design and construction of the Building and the completion of the maintenance and post Practical Completion obligations as set out in this Agreement;
- (u) **Representatives** means the Landlord's Representative and the Tenant's Representative;
- (v) **Target Completion Date** means 25 November 2020;
- (w) **Tenant's Drawings** means the plans and specifications for the Tenant's Fitout;
- (x) **Tenant's Fitout** means that part of the fitting out of the Premises that does not form part of the Building Works and Services and which is required to complete the Premises to the occupational and trading requirements of the Tenant; and

- (y) **Tenant's Representative** means Brad Cabell or such other person as may be nominated by the Tenant from time to time.

9.2 Interpretation: In this Agreement, unless the context otherwise requires:

- (a) the schedules and their contents have the same effect as if set out in the body of this Agreement;
- (b) terms defined in the Lease have the same meaning in this Agreement;
- (c) the singular includes the plural and vice versa;
- (d) a reference to a person includes references to individuals, companies, corporations, partnerships, firms, joint ventures, associations, trusts, organisations, governmental or other regulatory bodies or authorities or other entities in each case whether or not having separate legal personality;
- (e) references to a statute include references to regulations, orders, rules or notices made under that statute and references to a statute or regulation include references to all amendments to that statute or regulation whether by subsequent statute or otherwise.
- (f) references to parties are references to parties to this Agreement and include each party's executors, administrators and successors;
- (g) any provision of this Agreement to be performed or observed by two or more persons binds those persons jointly and each of them severally; and
- (h) if there is a conflict between this Agreement (including the schedules) and any other document, then the provisions of this Agreement shall prevail.

9.3 Consents and Approvals: Unless otherwise specifically stated in this Agreement as being within a party's sole discretion, any consent or approval or determination to be given or made by either the Landlord or the Tenant is not to be unreasonably withheld or delayed or given subject to unreasonable conditions provided always that any conditions expressly set out in this Agreement must be satisfied and will not be regarded as unreasonable.

10. COMPLETION OF DETAILED PLANS AND SPECIFICATIONS

10.1 Preparation of Detailed Plans and Specifications: The Landlord will arrange for the preparation of the Detailed Plans and Specifications based on and conforming in all respects with the Preliminary Design and Outline Specification:

- (a) showing the base build to be provided by the Landlord so that the scope of the Tenant's Fitout can be defined;
- (b) detailing the Building Works and Services for which the Landlord is responsible in accordance with clause 14.1; and
- (c) having regard to the Programme and the obligations of the Landlord under this Agreement to achieve Practical Completion by the Target Completion Date.

10.2 Tenant approval: The Landlord will submit the Detailed Plans and Specifications to the Tenant for approval as soon as possible. The Tenant will have a period of ten (10) working days from receipt of the Detailed Plans and Specifications to respond in writing to the Landlord either approving the plans and specifications or raising objections in accordance with clause 10.4.

10.3 Deemed approval: If the Tenant fails to respond within the ten (10) working day period specified in clause 10.2, the documentation submitted by the Landlord shall be deemed to have been approved by the Tenant.

10.4 Objections: If the Tenant raises objections to any of the Detailed Plans and Specifications as submitted to it by the Landlord then the Tenant shall provide written reasons for such objection. Legitimate grounds for objecting to the Detailed Plans and Specification include:

- (a) the Detailed Plans and Specifications are inconsistent with matters agreed in correspondence between the Landlord and the Tenant's consultants; and
- (b) the Detailed Plans and Specifications do not comply with the relevant New Zealand Building Standards or Codes.

The parties shall then consult for a period of five (5) working days in an attempt to resolve the issues raised. If resolution cannot be reached between the parties then the matter shall be referred by either party to the Expert for determination in accordance with clause 19.

10.5 Changes to Plans and Specifications: In procuring the preparation of the Detailed Plans and Specifications, the Landlord will incorporate all reasonable changes to the Building Works and Services requested by the Tenant's Representative where such changes are requested at a stage where they will not materially impact on the cost to the Landlord of the conversion of the Preliminary Design and Outline Specifications into the Detailed Plans and Specifications.

10.6 Commencement of construction: The Landlord shall not, without the prior written consent of the Tenant (such consent not to be unreasonably withheld or delayed), commence any construction of any part of the Building Works and Services until the Detailed Plans and Specifications:

- (a) conform with or are superior to the Preliminary Plans and Specifications;
- (b) are 100% complete; and
- (c) have been approved by the Tenant in accordance with this clause or determined by the Expert in accordance with clause 19,

provided that nothing in this clause shall prevent the Landlord from carrying out preparatory works and excavations (including sheet piling) and commencing construction of the Building on the Land as long as such works do not materially affect or impact on the Building Works and Services insofar as they relate to the Premises.

10.7 No Variations: Once approved, any variations or alterations to the Detailed Plans and Specifications will require the prior written approval of the Tenant.

11. CONSTRUCTION OF PREMISES

11.1 **Construction:** The Landlord will procure all necessary building and related consents for the Project and, having regard to the Programme, require the Building Contractor to proceed with the Project and construct the Building:

- (a) in a good, careful, professional and workmanlike manner and in accordance with recognised good practice;
- (b) in accordance with the plans and specifications which are included in the Detailed Plans and Specifications;
- (c) to sound and acceptable architectural and engineering standards;
- (d) in accordance with the requirements of the building consent, the Resource Management Act 1991, the Building Act 2004, the Building Code and the Health and Safety at Work Act 2015 and otherwise complying with the requirements of any Authority and relevant industry codes of practice and any other relevant statutory or regulatory requirements;
- (e) in conformity with the Programme; and
- (f) so as to be structurally sound, weather proof and weather tight in all respects.

11.2 **Defects:** The Landlord shall ensure that the Building Contractor promptly remedies all Defects which become apparent to, or are notified to, the Landlord within the defects liability period under the Construction Contract, being in any event not less than 12 calendar months from the Practical Completion Date. On a Defect becoming apparent to or being notified to the Landlord as above, the following process will apply:

- (a) the Landlord will investigate and determine the cause of the Defect;
- (b) the Landlord must establish and implement a course of action to remedy the Defect within a reasonable time and such remedial action shall be undertaken by the Landlord in a manner that avoids unnecessary inconvenience to the Tenant but the Tenant shall allow access to the Landlord for this purpose during usual working hours or at such other times as the Tenant may reasonably request; and
- (c) if the parties are unable to agree whether there is a Defect then the matter shall be referred to the Expert pursuant to clause 19, and the determination of the Expert shall be binding on the parties.

This clause 11.2 will not detract from the Landlord's obligations to undertake repairs and maintenance pursuant to the Lease.

11.3 **Warranties and Guarantees:** The Landlord shall obtain and advise the Tenant of all guarantees and warranties procured from the Building Contractor and subcontractors in respect of workmanship, materials and products used in the construction of the Premises which are for the benefit of the Landlord. The Landlord shall at the request of the Tenant, take all such action as is reasonably required to enforce all such guarantees and warranties to the fullest extent permitted under the terms of such guarantees and warranties and otherwise at law.

11.4 Tenant's access during construction of Premises: During the course of the carrying out of the Building Works and Services the Tenant, together with its consultants, contractors and employees with bona fide business to be undertaken in respect of the Project, shall have access to the Land and the Building Works and Services at all reasonable times during normal Project working hours and upon giving reasonable prior notice, for the purpose of inspecting the Building Works and Services and progress thereof, checking the Landlord's compliance with this Agreement, and/or to measure the quantity and value of any parts of the Building Works and Services undertaken as part of or a variation to the Construction Contract. During such access, the Tenant shall:

- (a) co-operate, and shall direct the Tenant's consultants, contractors and employees to co-operate, with the Landlord and the Building Contractor so as not to cause delay or disruption to the carrying out of the Building Works and Services;
- (b) comply with and use all reasonable endeavours to procure all accompanying persons to comply with the Landlord's and the Building Contractor's health and safety requirements;
- (c) provide the Landlord's Representative with reasonable prior notice of each visit and the identity of any accompanying persons; and
- (d) sign, and procure any accompanying persons to sign a written covenant that access to the Premises will be at the Tenant's consultants, contractors and employees own risk in all respects.

11.5 Site meetings: The Landlord will ensure that regular site meetings are held with the Tenant's Representative or his nominee to review progress of the Building Works and Services.

12. PROGRAMME

12.1 Programme: The Landlord and the Tenant accept and adopt the Programme in respect of the design and completion of the Building Works and Services and the Premises. The Landlord shall procure that the Building Contractor revises the Programme for the Project to incorporate the Tenant's Fitout as described in the frozen fitout layout plans provided in accordance with clause 14.1.

12.2 Revision and Updates: The Programme shall be revised and updated monthly by the Representatives following assessment of the previous month's progress.

12.3 Target Completion Date: The Landlord shall use its best endeavours (within the constraints of its contractual relationship with the Building Contractor) to achieve Practical Completion by the Target Completion Date (without being required to incur additional financial liability to the Building Contractor). Before approving any extensions of time under the Construction Contract the Landlord's Representative shall consult the Tenant's Representative and provide details of the reason for the extension of time and any other information as may be necessary.

13. PRACTICAL COMPLETION

13.1 Practical Completion Certificate: When the Building Contractor advises the Landlord that it believes that Practical Completion of the Building Works and Services has been achieved the Landlord's Representative and the Tenant's Representative (together with any consultants which

the Tenant reasonably requires to be present at such inspection) will inspect the Building Works and Services. If both the Landlord's Representative and the Tenant's Representative are satisfied that there is proper and effective completion of the Building Works and Services in accordance with the Detailed Plans and Specification so that the Premises and all public areas of the Building are fully available for occupation and convenient use by the Tenant except for minor omissions and minor defects which:

- (a) the Building Contractor has, at the time, reasonable grounds for not having properly completed and which are suitable for later completion or are defects listed for rectification under the Construction Contract;
- (b) do not prevent any part of the Premises or the common areas or services of the Building from being reasonably used and enjoyed for its intended purpose; and
- (c) completion of which will not prejudice the convenient use and enjoyment of the Premises by the Tenant,

they shall together issue a Practical Completion Certificate for the Building Works and Services. If the Landlord's Representative and the Tenant's Representative cannot agree on any matter relating to the issue of the Practical Completion Certificate the matter shall be referred to the Expert for determination in accordance with clause 19.

13.2 Acknowledgement: The Landlord acknowledges and agrees that the issue of the Practical Completion Certificate shall in no way release the Landlord from any of its respective covenants, warranties or obligations in favour of the Tenant to complete the Premises in accordance with the Detailed Plans and Specification, the Programme and the provisions of this Agreement.

13.3 Advise the Authority: As soon as reasonably practicable following the issue of the Practical Completion Certificate, the Landlord will advise the Authority in the prescribed form that the Building Works and Services have been completed to the extent required by any building consent issued in respect of such work and shall request the Authority to issue:

- (a) a code compliance certificate for the Building Works and Services; and
- (b) a compliance schedule (as defined in the Building Act 2004) for systems and features incorporated in the Building Works and Services,

and shall provide copies of those documents to the Tenant's Representative as soon as reasonably practicable after the Landlord receives the same.

14. TENANT'S FITOUT

14.1 CAD drawings and frozen fitout layout: The Landlord shall use its reasonable endeavours to provide CAD drawings to the Tenant as soon as possible following the date of this Agreement. The Tenant shall then use its reasonable endeavours to supply the Landlord with a set of frozen fitout layout plans as soon as possible following receipt of the CAD drawings.

14.2 Approval: As soon as possible after the Detailed Plans and Specifications have been finalised in accordance with clause 10 the Tenant must have the Tenant's Drawings prepared and submitted to

the Landlord for approval. The Landlord's approval of the Tenant's Drawings will not be unreasonably withheld or delayed provided that:

- (a) the Tenant's Fitout complies with the requirements of all relevant Authorities;
- (b) the Tenant's Fitout will not materially affect the value or quality of the Building Works or Services or the Premises and is consistent with the standard and quality of the Premises; and
- (c) the Tenant's Fitout will not adversely affect the watertightness of the Premises.

14.3 Access: Subject to clause 14.4, the Landlord shall allow the Tenant:

- (a) non-exclusive but unimpeded access to the Building;
- (b) reasonable access to parking, lay down areas, use of lifts and access to the Building; and
- (c) exclusive access to, and control of, the Premises (or a level of the Premises, as the case may be),

by and from the Access Date for the purpose of completion the Tenant's Fitout. During this period the Landlord and its contractors may, with the Tenant's prior approval (such approval not to be unreasonably withheld or delayed), have such access to the Premises as may reasonably be required to complete any element of the Building Works and Services.

14.4 Pre-requisites for access: Access pursuant to clause 14.3 shall only be given if the Tenant has first:

- (a) obtained the Landlord's consent for the Tenant's Fitout pursuant to clause 14.1;
- (b) provided copies of all relevant consents and approvals (if any) in respect of the Tenant's Fitout (from any relevant Authority) to the Landlord; and
- (c) complied with its obligations contained in clause 17 including the provision to the Landlord of the Tenant's insurers' certificate as required by that clause.

14.5 Access Date: The Landlord shall notify the Tenant approximately three months prior to the anticipated Access Date of its then estimate of the Access Date. If the Tenant's access to any level of the Premises is materially impeded after the Access Date the Access Date shall be enlarged to be the date on which the Tenant is allowed unimpeded access the Premises.

14.6 Tenant's obligations: During construction of the Tenant's Fitout the Tenant must:

- (a) cause as little inconvenience as possible to the Landlord, the Building Contractor and to the Landlord's employees, agents and contractors ensuring that the Tenant does not impede or delay the construction of the Building Works and Services;
- (b) comply with the directions of the Landlord as to parking, lay down areas, use of lifts and access;
- (c) ensure that the Premises and the Building are properly protected and kept clean and tidy and free from debris;

- (d) keep the Landlord informed of all communications from any Authority in relation to any applications made pursuant to this clause 14;
- (e) cause the Tenant's Fitout to be carried out in a good and workmanlike manner using good quality materials; and
- (f) not bring any heavy items of machinery into the Premises likely to damage the Premises, or the Land without the consent of the Landlord and then only in the presence of the Building Contractor.

14.7 **Standards:** The Tenant's Fitout must be carried out in accordance with:

- (a) the requirements of all relevant Authorities, laws and consents obtained;
- (b) the Tenant's Drawings approved by the Landlord under this clause 14; and
- (c) the reasonable safety requirements or restrictions imposed by the Building Contractor in relation to the time, duration and means of access and co-ordination of the Tenant's Fitout with the construction of the Building Works and Services.

14.8 **Tender of Tenant's Fitout:** The Landlord and the Tenant will co-operate to facilitate the Tenant engaging the Building Contractor to complete the Tenant's Fitout (or elements thereof) to provide time and cost savings but subject always to the Tenant's right to:

- (a) engage separate contractors for specialist items of the Tenant's Fitout; and
- (b) engage another contractor to complete all of the Tenant's Fitout should it so choose.

14.9 **Soft Fitout:** The Tenant will be solely responsible for the specification, design, ordering, supply and installation of all elements of the soft fitout. The Tenant may request that the Landlord requests the Building Contractor to provide storage areas on the site for any item of soft fitout prior to its installation.

14.10 **Plans:** On completion of the Tenant's Fitout, the Tenant must at the Tenant's own cost give the Landlord updated *as built* and *as laid out* plans of the Premises and a copy of any code compliance certificate and compliance schedule issued in relation to the Tenant's Fitout under the Building Act 2004.

14.11 **Landlord Contribution:** In consideration for not constructing the following items:

- (a) 9(2)(b)(ii)

- (b)
- (c)
- (d)
- (e)
- (f)



the Landlord shall provide a contribution to the Tenant's Fitout of 9(2)(b)(ii) plus GST (based on the estimated amounts set out above). This contribution will be paid on the Access Date and shall be the only amount payable by the Landlord to the Tenant in relation to such items.

15. BUILDING WORKS AND SERVICES

15.1 The Landlord shall design and construct the Building Works and Services to suit the Tenant's layouts and occupancy arrangements in the Premises.

16. REPRESENTATIVES

16.1 **Representatives:** The Representatives will, for the duration of the Project, be responsible for and will have appropriate authority to do, the following:

- (a) manage and administer their respective party's rights and obligations under and pursuant to this Agreement; and
- (b) take and communicate such decisions in respect of the Project as may be necessary from time to time, whether under this Agreement or otherwise, to the other party, the Building Contractor and any other third person as the need arises.

16.2 **Reliance on Representatives:** Subject to the proviso to this clause 16.2, each party shall be entitled to rely fully in all respects upon any decision or instruction received from the Representative appointed by the other party and each party shall be bound by the decisions and instructions of its identified individuals except to the extent that such matters are qualified, provided that no such decision or instruction will be competent to vary the provisions of this Agreement or the Lease unless such decision or instruction is in writing and has been formally executed by the party or parties to be bound.

16.3 **Substitutes for individuals:** Should either of the individuals initially named as the Representatives or subsequently appointed under this clause 16.3 become unable or unwilling to continue to act then the party appointing such individual shall, after consulting with the other party to identify an acceptable substitute, and having regard to the importance to the parties of maximising continuity of the personnel involved throughout the Project, appoint in his or her place a substitute to represent them.

16.4 **Parties to be engaged by the Landlord:** The parties to be engaged by the Landlord directly or through the Building Contractor will include (but not be limited to):

- (a) the Landlord's Representative;
- (b) the Landlord's quantity surveyor;
- (c) the Landlord's design consultants; and
- (d) the Building Contractor.

16.5 Parties to be engaged by the Tenant: The parties to be engaged by the Tenant in the Project may include (but not be limited to):

- (a) the Tenant's architect;
- (b) the Tenant's Representative; and
- (c) any fitout contractors.

16.6 Costs: For avoidance of doubt, each party is liable for all of the costs of:

- (a) its Representative performing their duties under this Agreement; and
- (b) any other consultants retained by it.

17. INSURANCE

17.1 Landlord's Insurance: The Landlord shall, during the construction phase contemplated by this Agreement, procure the Building Contractor to insure all aspects of the Building Works and Services and shall ensure that the Building Contractor takes out and maintains adequate contractors' all risks insurance covering the Building Works and Services.

17.2 Tenant's Insurance: The Tenant must not commence the Tenant's Fitout until it and its contractors and consultants carry appropriate insurance for the circumstances.

18. MEASUREMENT OF THE FLOOR AREA AND ANNUAL RENT

18.1 Measurement: As soon as is practicable, the Landlord will instruct a surveyor or some other suitably qualified person to measure the rentable floor area of the Premises in accordance with clause 18.2.

18.2 Method: The rentable floor area of the Premises will be measured using the recommended guide for the floor measurement of commercial, industrial and retail buildings published (from time to time) jointly by the Property Council of New Zealand Incorporated and the New Zealand Property Institute Incorporated.

18.3 Annual Rent: Following measurement of the rentable floor area of the Premises in accordance with clause 18.1, the initial Annual Rent will be calculated at a rate of \$300 (plus GST) per square metre.

18.4 Rent of Common Areas: The Tenant acknowledges that it is liable for all costs (including, but not limited to rent and outgoings) for its proportionate share of the common areas within the Property based on the size of the Premises (on a square metre basis) in comparison with the total size of the other tenancies in the Building which enjoy the use of such common areas. The estimated common area outgoings and initial rent as at the date of this Agreement (subject to final measurement and outgoings allocation) are estimated to be:

- (a) Common Area: 425.54 square metres (excluding the plant deck which shall be verified and agreed between the parties prior to execution of the Lease);

- (b) Initial Common Area Rent: \$365 per square metre per annum plus GST of which the Tenant shall pay 42.19%; and
- (c) Common Area Outgoings: the Tenant shall pay 42.19% of outgoings for the common areas.

19. DISPUTE RESOLUTION (CONTINUED)

- 19.1 If the Landlord and the Tenant do not resolve any dispute under any clause of this Agreement where there is provision for reference to the Expert in relation to a particular dispute, then either party may issue to the other a notice (**Dispute Notice**) requiring that the dispute be resolved by determination by an Expert. The Dispute Notice shall identify a proposed Expert.
- 19.2 If the parties are unable to agree on an Expert within five (5) Working Days after service of the Dispute Notice, either party may request the President of the New Zealand Law Society (**President**) to appoint an Expert to determine the dispute.
- 19.3 The Expert appointed under clause 19.2 should be of a discipline most closely associated with the type of issue in dispute. Despite this clause 19.3, the Expert appointed by the President will be deemed to be of a discipline most closely associated with the type of issue in dispute. The President and the New Zealand Law Society will not be liable for any action or omission by the President under this clause 19.
- 19.4 The Expert must act as an expert and not as an arbitrator and his or her decision will be final and binding on the parties (except for manifest error and provided that the Expert's decision is not one regarding a matter of law).
- 19.5 The fees of the Expert will be payable by the parties as directed by the Expert.
- 19.6 The following applies in the case of any dispute referred for determination under this clause 19:
 - (a) the Expert may enquire into the dispute as that person thinks fit including hearing representations and taking advice from people that the Expert considers appropriate;
 - (b) the parties may make submissions to and must give the Expert every assistance the Expert requires, including providing copies of relevant documents; and
 - (c) each party must pay its own costs in connection with the dispute.

20. GST

- 20.1 **GST:** In addition to the consideration payable by the Tenant under this Agreement, the Tenant must pay to the Landlord all GST paid or payable by the Landlord on the Annual Rent and other money received and the provision of leasing services or other taxable supplies under this Agreement.
- 20.2 **Time of supply:** The Tenant must pay any GST payable by the Tenant under this Agreement on the date on which the relevant supply is deemed to have taken place under the Goods and Services Tax Act 1985. If the Tenant fails to pay any GST by the due date then without prejudice to the Landlord's other rights and remedies the Tenant will pay on demand an amount equal to any additional tax, interest, penalty or fine payable by the Landlord as a result of the Tenant's default.

21. ACKNOWLEDGEMENT

21.1 **Tenant acknowledgement:** The Tenant acknowledges that:

- (a) the Landlord, in its capacity as a territorial authority, is required to carry out its statutory consent functions under the Resource Management Act 1991 and the Building Act 2004 in accordance with the provisions of those Acts;
- (b) the granting by the Selwyn District Council of any consent or approval by the Selwyn District Council as territorial authority under those Acts shall not of itself be deemed to be a consent or approval by the Landlord under this Agreement; and
- (c) the Landlord is bound by statutory obligations to exercise its powers, including discretionary powers, and duties under those Acts without regard to any relationship it may have with the purchaser under this Agreement.

22. GENERAL

- 22.1 **Costs:** Each party shall pay its own costs of and incidental to the negotiation, preparation and completion of this Agreement and the Lease.
- 22.2 **Entire Agreement:** This Agreement constitutes the entire agreement between the parties and supersedes all or any prior oral or written understandings, representations or commitments at any time express or implied. No oral or written modifications of this Agreement shall be of any force or effect unless and until such modification is in writing and formally executed by the parties.
- 22.3 **Relationship between parties:** Nothing in this Agreement shall create, constitute or evidence any partnership, joint venture, agency, trust or employer/employee relationship between the parties, and no party may make, or allow to be made, any representation that any such relationship exists between the parties. No party shall have the authority to act for, or incur any obligation on behalf of, the other party.
- 22.4 **Further assurances:** Each party shall do all acts and things including, without limitation, the execution of all relevant documents, as may be reasonable to implement and carry out its obligations under, and contemplated by, this Agreement.
- 22.5 **Confidentiality:** This Agreement and the arrangements incidental hereto which are disclosed in this Agreement are commercially sensitive, and accordingly, shall be kept confidential between the parties. No party shall disclose the details of this Agreement or such arrangements without first consulting with the other and without the prior written consent of the other party except as may be required to comply with any lawful requirement (including the requirements of the Official Information Act 1982 and the Local Government Official Information and Meetings Act 1987) or to implement the provisions of this Agreement or to satisfy any condition contained in this Agreement.
- 22.6 **No warranty:** The Tenant enters into this Agreement entirely in reliance on the Tenant's own skill and judgment and not in reliance on any representations, warranties, statements, Agreements or undertakings of any nature made by:
 - (a) the Landlord;

- (b) any agent of the Landlord; or
- (c) any other person acting for or on behalf of the Landlord,

except only to the extent that those representations, warranties, statements, Agreements or undertakings (or any of them) are expressly set out in this Agreement.

Released under the Official Information Act

FOURTH SCHEDULE

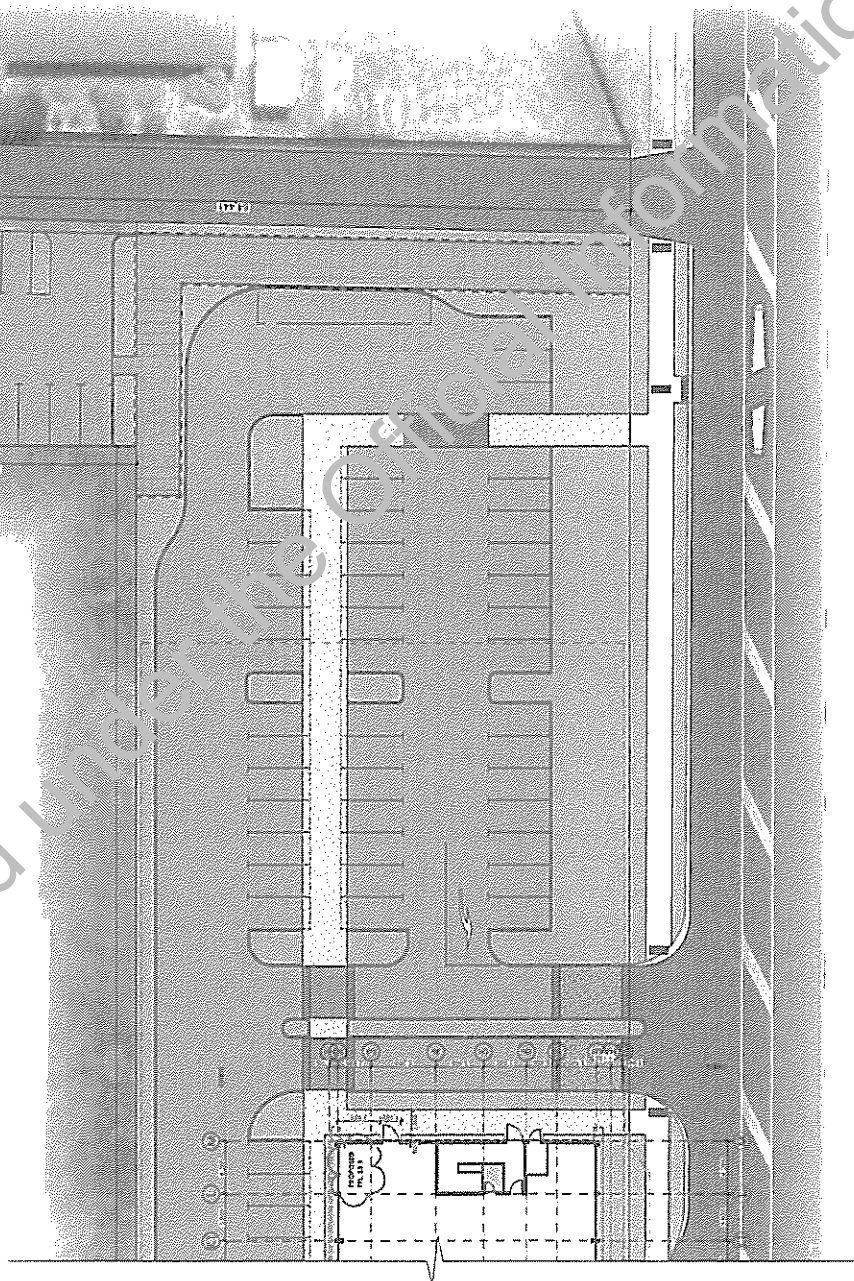
LANDLORD'S FIXTURES, FITTINGS AND CHATTELS (if any)

(Subclause 4.2)



FIFTH SCHEDULE: PREMISES AND CAR PARK PLANS

Released under the Official Information Act



NOT TO SCALE
FOR INFORMATION ONLY
DO NOT CONSTRUCT

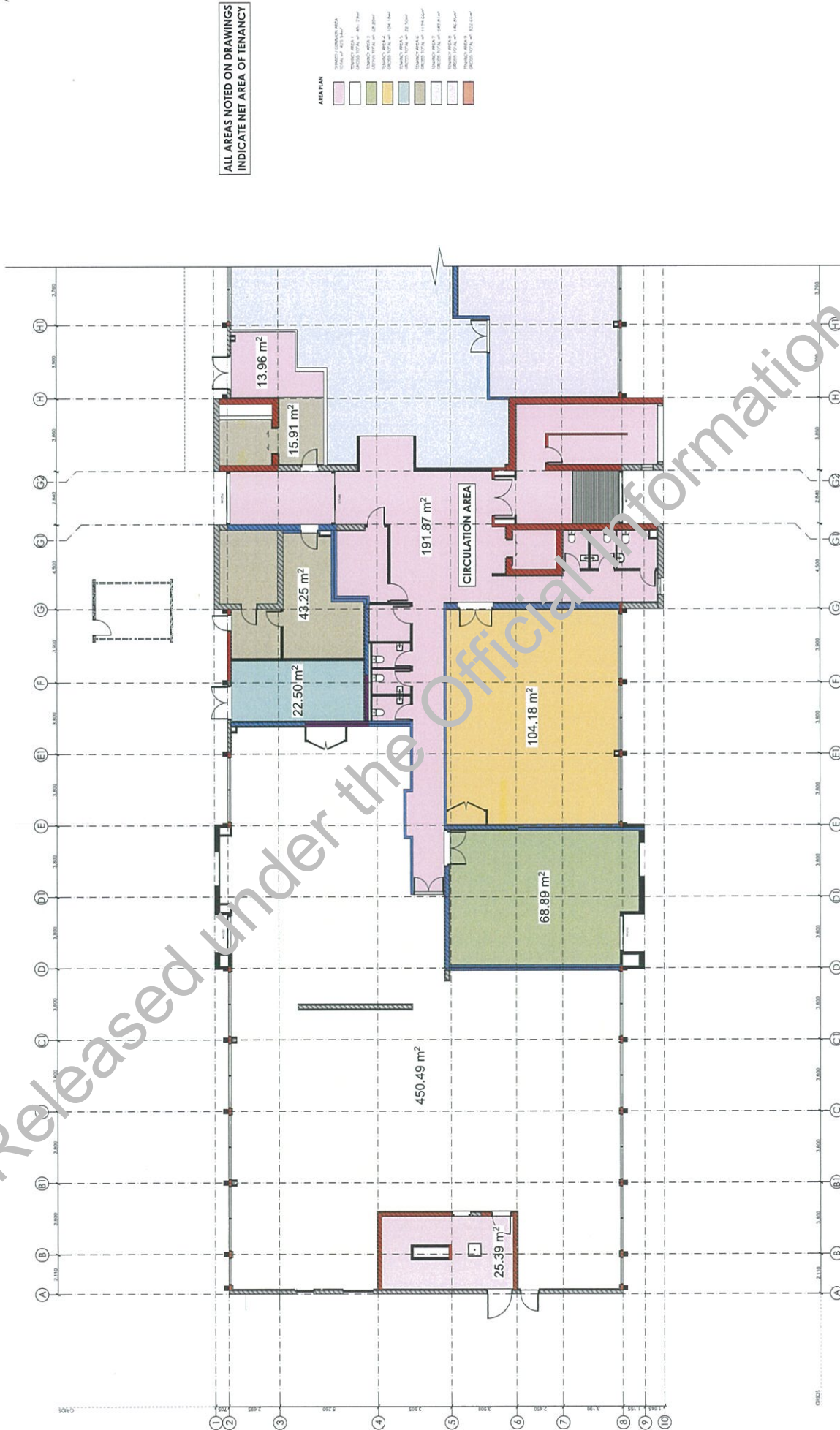
LEGEND

1. SITE PLAN

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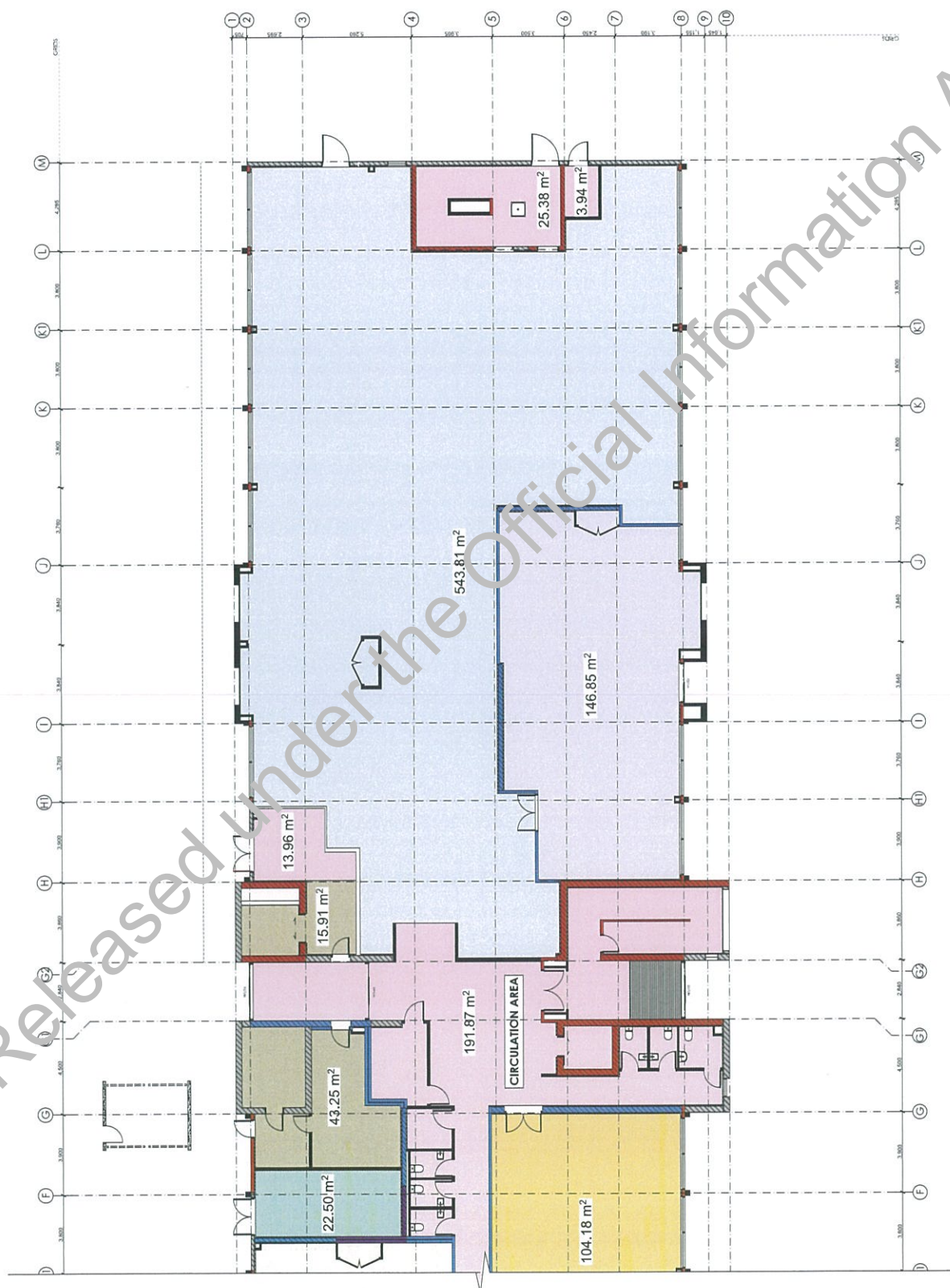
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FOR INFORMATION ONLY
DO NOT CONSTRUCT

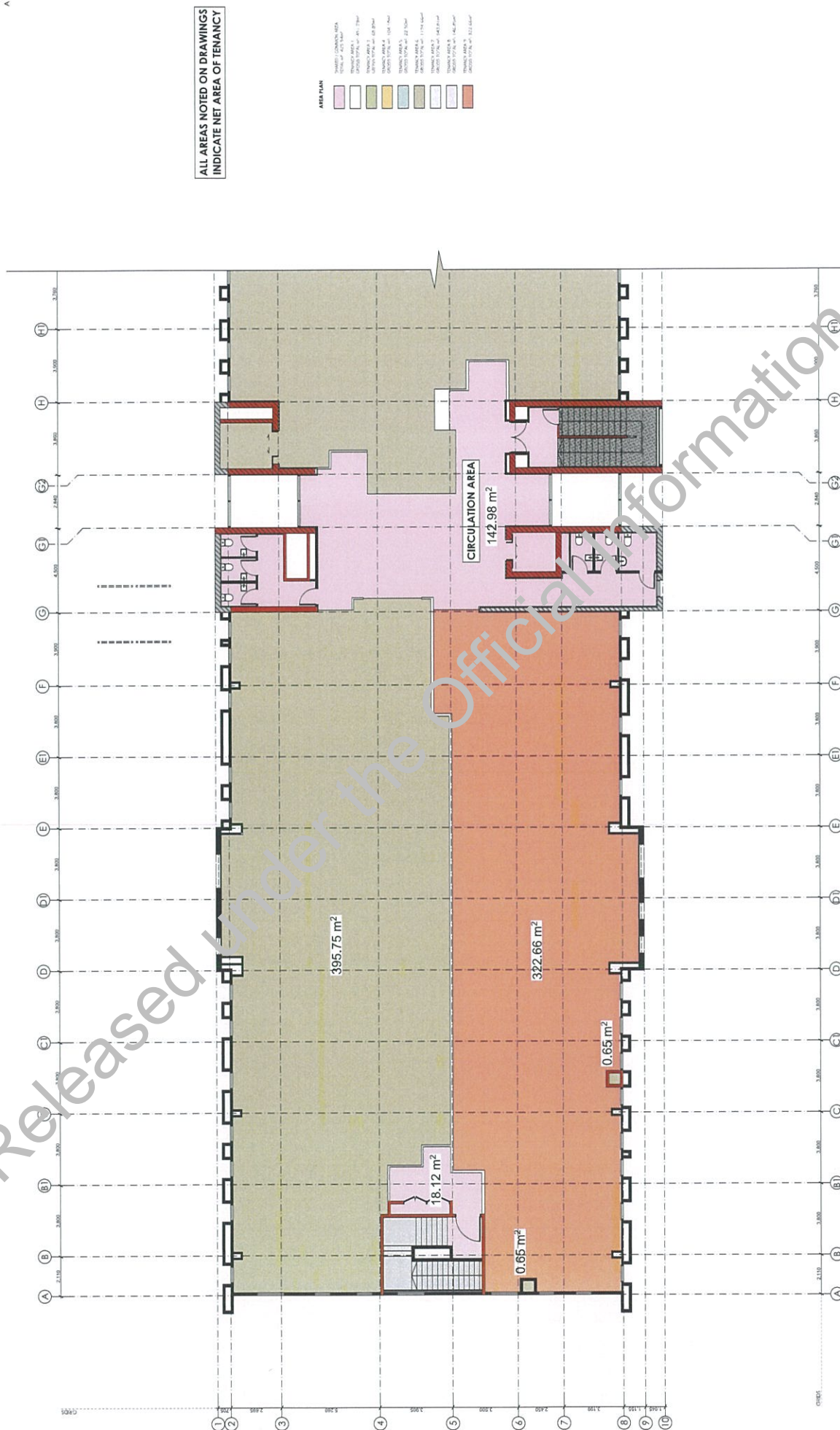


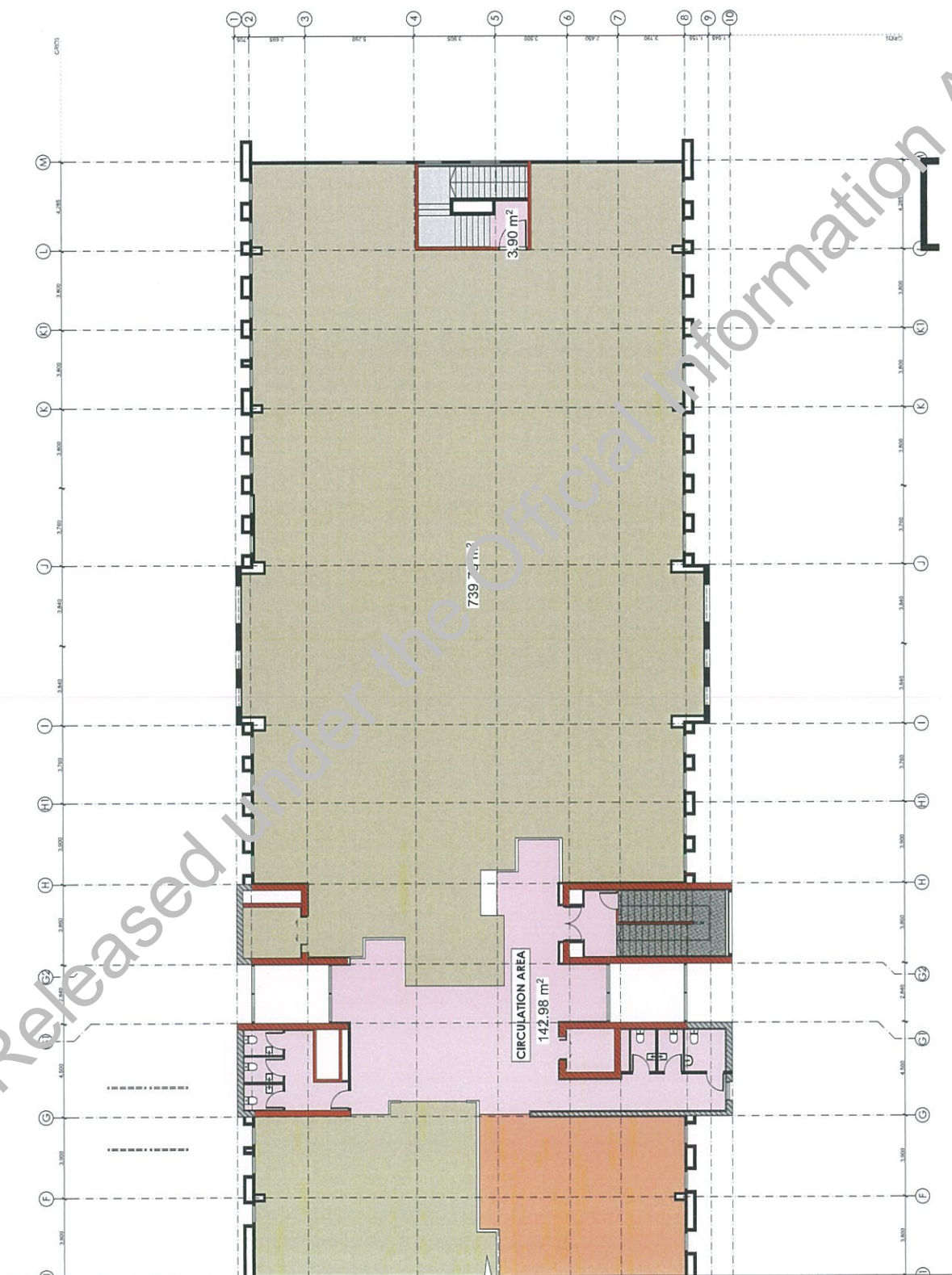
ALL AREAS NOTED ON DRAWINGS
INDICATE NET AREA OF TENANCY

AREA PLAN

Sample	Color	Wavelength (nm)	Intensity (a.u.)
TMAN-1	Yellow	415	1.00
TMAN-2	Yellow	415	1.00
TMAN-3	Yellow	415	1.00
TMAN-4	Yellow	415	1.00
TMAN-5	Yellow	415	1.00
TMAN-6	Yellow	415	1.00
TMAN-7	Yellow	415	1.00
TMAN-8	Yellow	415	1.00
TMAN-9	Yellow	415	1.00
TMAN-10	Yellow	415	1.00







SIXTH SCHEDULE: THE LEASE

Released under the Official Information Act

DEED OF LEASE

Sixth Edition 2012 (5)

GENERAL address of the premises:

That part of the building at Norman Kirk Drive, Rolleston, known as the Selwyn Health Hub

DATE: 2020

LANDLORD:

SELWYN DISTRICT COUNCIL

TENANT:

CANTERBURY DISTRICT HEALTH BOARD

GUARANTOR:

THE LANDLORD leases to the Tenant and the Tenant takes on lease the premises and the car parks (if any) described in the First Schedule together with the right to use the common areas of the property for the term from the commencement date and at the annual rent (subject to review if applicable) as set out in the First Schedule.

THE LANDLORD AND TENANT covenant as set out in the First, Second and Third Schedules.

~~**THE GUARANTOR** covenants with the Landlord as set out in the Fourth Schedule.~~

SIGNED by the Landlord

in the presence of:

Signature of Landlord

Print Full Name

Director / Trustee / Authorised Signatory / Attorney*

Delete the options that do not apply

If no option is deleted, the signatory is signing in their personal capacity

Witness Signature

Witness Name

Witness Occupation

Witness Address

Signature of Landlord

Print Full Name

Director / Trustee / Authorised Signatory / Attorney*

Delete the options that do not apply

If no option is deleted, the signatory is signing in their personal capacity

SIGNED by the Tenant

in the presence of:

Signature of Tenant

Print Full Name

Director / Trustee / Authorised Signatory / Attorney*

Delete the options that do not apply

If no option is deleted, the signatory is signing in their personal capacity

Witness Signature

Witness Name

Witness Occupation

Witness Address

Signature of Tenant

Print Full Name

Director / Trustee / Authorised Signatory / Attorney*

Delete the options that do not apply

If no option is deleted, the signatory is signing in their personal capacity

Note: If signing by a company or as an Attorney - please refer to the notes on page 3

~~SIGNED~~ by the Guarantor

in the presence of:

Signature of Guarantor

Print Full Name

Director / Trustee / Authorised Signatory / Attorney*

Delete the options that do not apply

If no option is deleted, the signatory is signing in their personal capacity

Witness Signature

Witness Name

Witness Occupation

Witness Address

Signature of Guarantor

Print Full Name

Director / Trustee / Authorised Signatory / Attorney*

Delete the options that do not apply

If no option is deleted, the signatory is signing in their personal capacity

* If this agreement is signed under:

- (i) a Power of Attorney – please attach a **Certificate of non-revocation** (ADLS form code: 4098WFP); or
- (ii) an Enduring Power of Attorney – please attach a **Certificate of non-revocation and non-suspension of the enduring power of attorney** (ADLS form code: 4997WFP).

Also insert the following wording for the Attorney's Signature above:

Signed by [full name of the donor] by his or her Attorney [attorney's signature].

Note: Signing by a company – Companies must sign this document in accordance with section 180 of the Companies Act 1993, to ensure it is binding as a deed. In general, this means:

- (a) if there are two or more directors of the company, two directors must sign and no witnessing is necessary;
- (b) if there is only one director of the company, that director signs and the signature must be witnessed.

Other methods of signing may be permitted by the company's constitution or if an attorney has been appointed.

FIRST SCHEDULE

1. **PREMISES:** That part of the building (the Building) at Norman Kirk Drive, Rolleston (more particularly described as section 4 SO 487640) as is shown on the plans attached as the Fourth Schedule and having an area of 1,194.66m²

2. ~~**CAR PARKS:**~~

3. **TERM:** Ten (10) years

4. **COMMENCEMENT DATE:**

5. **RIGHTS OF RENEWAL:** Two (2) of ten (10) years each and one (1) of four (4) years

6. **RENEWAL DATES:** The tenth (10th), twentieth (20th) and thirtieth (30th) anniversaries of the Commencement Date.

7. **FINAL EXPIRY DATE:**

8. **ANNUAL RENT:**

	Premises	\$	plus GST
(Subject to review if applicable)	Car Parks	\$	plus GST
Common Areas	TOTAL	\$	plus GST

9. **MONTHLY RENT:** \$ plus GST

10. **RENT PAYMENT DATES:** The day of each month commencing on the day of 20

11. **RENT REVIEW DATES:**
(Specify review type and insert dates for initial term, renewal dates and renewal terms. Unless dates are specified there will be no reviews. Where there is a conflict in dates, the market rent review date will apply.)

1. Market rent review dates:
9(2)(b)(ii)

2. CPI rent review dates:
9(2)(b)(ii)

12. **DEFAULT INTEREST RATE:** means the Landlord's overdraft rate with its principal bank (subclause 5.1) which shall be a registered bank, at the date of the default. % per annum

13. **BUSINESS USE:** Health and medical facilities and any ancillary uses.
(subclause 16.1)

14. LANDLORD'S INSURANCE:
(subclause 23.1)
(Delete or amend extent of cover as appropriate)

(Delete either (a) or (b); if neither option is deleted, then option (a) applies)

(Delete option (i) and complete option (ii) if required. If option (i) is not deleted and option (ii) is completed then option (ii) applies)

- (1) Cover for the building against damage and destruction by fire, flood, explosion, lightning, storm, earthquake, and volcanic activity; on the following basis:

- (a) Full replacement and reinstatement (including loss damage or destruction of windows and other glass);

OR

- ~~(b) Indemnity to full insurable value (including loss damage or destruction of windows and other glass);~~

- ~~(2) Cover for the following additional risks:~~

- ~~(a) (i) 12 months~~

OR

- ~~(ii) _____ months~~

~~indemnity in respect of consequential loss of rent and outgoings.~~

- ~~(b) Loss damage or destruction of any of the Landlord's fixtures, fittings and chattels;~~

- ~~(c) Public liability~~

15. NO ACCESS PERIOD:
(subclause 27.6)

(Delete option (1) and complete option (2) if required. If option (1) is not deleted and option (2) is completed then option (2) applies)

- (1) 9 months

OR

- (2)

* The proportion that the net lettable area of the Premises bears to the total lettable area of the Building

~~to be \$ _____ % which at commencement date is estimated to be \$ _____ Plus GST per annum~~

16. PROPORTION OF OUTGOINGS: *
(subclause 3.1)

17. LIMITED LIABILITY TRUSTEE: N/A
(subclause 45.2)

18. OUTGOINGS:
(clause 3)

- (1) Rates or levies payable to any local or territorial authority.
- (2) Charges for water, gas, electricity, telecommunications and other utilities or services, including line charges.
- (3) Rubbish collection and recycling charges.
- (4) New Zealand Fire Service charges and the maintenance charges in respect of all fire detection and fire fighting equipment.
- (5) Any insurance excess (but not exceeding \$2,000) in respect of a claim and insurance premiums and related valuation fees (subject to subclause 23.2).
- (6) Service contract charges for air conditioning, lifts, other building services and security services.
- (7) Cleaning, maintenance and repair charges including charges for repainting, decorative repairs and the maintenance and repair of building services to the extent that such charges do not comprise part of the cost of a service maintenance contract, but excluding charges for structural repairs to the building (minor repairs to the roof of the building shall not be a structural repair), repairs due to defects in design or construction, inherent defects in the building and renewal or replacement of building services.
- (8) The provisioning of toilets and other shared facilities.
- (9) The cost of maintenance of lawns, gardens and planted areas including plant hire and replacement, and the cost of repair of fences.
- (10) Yard and car parking area maintenance and repair charges but excluding charges for repaving or resealing.
- ~~(11) Body Corporate charges for any insurance premiums under any insurance policy effected by the Body Corporate and related valuation fees and reasonable management administration expenses.~~
- (12) Management expenses (subject to subclause 3.7).
- (13) The ^{annual} costs incurred and payable by the Landlord in supplying to the territorial authority a building warrant of fitness and obtaining reports as required by sections 108 and 110 of the Building Act 2004 but excluding the costs of upgrading or other work to make the building comply with the Building Act 2004.

SECOND SCHEDULE

TENANT'S PAYMENTS

Rent

- 1.1 The Tenant shall pay the annual rent by equal monthly payments in advance (or as varied pursuant to any rent review) on the rent payment dates. The first monthly payment (together with rent calculated on a daily basis for any period from the commencement date of the term to the first rent payment date) shall be payable on the first rent payment date. All rent shall be paid without any deductions or set-off by direct payment to the Landlord or as the Landlord may direct.

Market Rent Review

- 2.1 The annual rent payable as from each market rent review date (except for a market rent review date that is a renewal date) shall be determined as follows:
- (a) Either party may not earlier than 3 months prior to a market rent review date and not later than the next rent review date (regardless of whether the next rent review date is a market or CPI rent review date) give written notice to the other party specifying the annual rent proposed as the current market rent as at the relevant market rent review date.
 - (b) If the party receiving the notice ("the Recipient") gives written notice to the party giving the notice ("the Initiator") within 20 working days after service of the Initiator's notice disputing the annual rent proposed and specifying the annual rent proposed by the Recipient as the current market rent, then the new rent shall be determined in accordance with subclause 2.2.
 - (c) If the Recipient fails to give such notice (time being of the essence) the Recipient shall be deemed to have accepted the annual rent specified in the Initiator's notice and the extension of time for commencing arbitration proceedings contained in the Arbitration Act 1996 shall not apply. **immediately before that market rent review date.**
 - (d) Notwithstanding any other provision of this clause, the annual rent payable as from the relevant market rent review date shall not be less than the annual rent payable ~~as at the commencement date of the then current lease term.~~
 - (e) The annual rent agreed, determined or imposed pursuant to subclause 2.1 shall be the annual rent payable as from the relevant market rent review date, or the date of service of the Initiator's notice if such notice is served later than 3 months after the relevant market rent review date but subject to subclause 2.3 and 2.4.
 - (f) The market rent review at the option of either party may be recorded in a deed.

Rent Determinations

- 2.2 Immediately following service of the Recipient's notice on the Initiator, the parties shall endeavour to agree upon the current market rent, but if agreement is not reached within 10 working days then the new rent may be determined either:
- (a) By one party giving written notice to the other requiring the new rent to be determined by arbitration; or
 - (b) If the parties so agree by registered valuers acting as experts and not as arbitrators as follows:
 - (1) Each party shall appoint a valuer and give written notice of the appointment to the other party within 20 working days of the parties agreeing to so determine the new rent.
 - (2) If the party receiving a notice fails to appoint a valuer within the 20 working day period then the valuer appointed by the other party shall determine the new rent and such determination shall be binding on both parties.
 - (3) The valuers appointed before commencing their determination shall appoint a third expert who need not be a registered valuer. If the parties cannot agree on the third expert, the appointment shall be made on the application of either party by the president or vice president for the time being of The New Zealand Institute of Valuers.
 - (4) The valuers appointed by the parties shall determine the current market rent of the premises but if they fail to agree then the rent shall be determined by the third expert.
 - (5) Each party shall be given the opportunity to make written or oral representations subject to such reasonable time and other limits as the valuers or the third expert may prescribe and they shall have regard to any of the representations but not be bound by them.
 - (6) The parties shall jointly and severally indemnify the third expert for their costs. As between the parties, they will share the costs equally. A party may pay the other party's share of the costs and recover the payment on demand from the other party.
 - (7) If the parties agree, they may release the third expert from liability for negligence in acting as third expert in accordance with this subclause 2.2.

When the new rent has been determined the person or persons determining it shall give written notice of it to the parties. The notice shall provide as to how the costs of the determination shall be borne and it shall be binding on the parties.

Interim Market Rent

- 2.3 Pending determination of the new rent, the Tenant shall from the relevant market rent review date, or the date of service of the Initiator's notice if the notice is served later than 3 months after the relevant market rent review date, until the determination of the new rent, pay an interim rent as follows:
- (a) if both parties supply a registered valuer's certificate substantiating the new rents proposed, the interim rent payable shall be half way between the new rents proposed by the parties; or
 - (b) if only one party supplies a registered valuer's certificate, the interim rent payable shall be the rent substantiated by the certificate; or
 - (c) if no registered valuer's certificates are supplied, the interim rent payable shall be the rent payable immediately prior to the relevant market rent review date,
- but in no circumstances shall the interim rent be less than the rent payable as at the commencement date of the then current lease term.
- The interim rent shall be payable with effect from the relevant market rent review date, or the date of service of the Initiator's notice if the notice is served later than 3 months after the relevant market rent review date and, subject to subclause 2.4, shall not be subject to adjustment.
- 2.4 Upon determination of the new rent, any overpayment shall be applied in payment of the next month's rent and any amount then remaining shall immediately be refunded to the Tenant. Any shortfall in payment shall immediately be payable by the Tenant.

CPI Rent Review

- 2.5 The annual rent payable from each CPI rent review date shall be determined as follows:
- The Landlord shall adjust the annual rent on the basis of increases (and not decreases) in the CPI by giving notice to the Tenant of the increase (if any) using the formula:

$$A = B \times (C \div D)$$
 Where:
 A = the CPI reviewed rent from the relevant CPI rent review date
 B = the annual rent payable immediately before the relevant CPI rent review date
 C = CPI for the quarter year ending immediately before the relevant CPI rent review date
 D = CPI for the quarter year ending immediately before the last rent review date or if there is no previous rent review date, the commencement date of the then current term of the lease (and in the case where A is the CPI reviewed rent for a renewal date then the last rent review date of the immediate preceding lease term or if there is no rent review date the commencement date of the preceding term)
 where (C÷D) shall not be less than 1.
 - If the CPI is discontinued and not replaced, or if there is a material change to the basis of calculation of the CPI, or a resetting of the CPI, an appropriate index which reflects the change in the cost of living in New Zealand as agreed by the parties and failing agreement to be determined by an expert appointed by the president or vice president of the New Zealand Law Society will be used.
 - If the relevant CPI is not published at the relevant CPI rent review date, as soon as the CPI is published an appropriate adjustment will be made to the rent (if necessary) with effect from the relevant CPI rent review date.
 - Notwithstanding any other provision of subclause 2.5, the annual rent payable as from the relevant CPI rent review date shall not be less than the annual rent payable immediately preceding the CPI rent review date (and in the case where the relevant CPI rent review date is a renewal date, the annual rent payable at the expiry of the preceding term).
- 2.6 The new rent determined pursuant to subclause 2.5 shall be payable from the relevant CPI rent review date once it is determined by the Landlord giving notice under that subclause. Pending determination of the new rent, the Tenant will pay the rent that applies prior to the CPI rent review date. On determination of the new rent, the Tenant will immediately pay any shortfall to the Landlord.

Outgoings

- The Tenant shall pay the outgoings properly and reasonably incurred in respect of the property which are specified in the First Schedule. Where any outgoing is not separately assessed or levied in respect of the premises then the Tenant shall pay such proportion of it as is specified in the First Schedule or if no proportion is specified then such fair proportion as shall be agreed or failing agreement determined by arbitration.
- The Landlord shall vary the proportion of any outgoing payable to ensure that the Tenant pays a fair proportion of the outgoing.
- If any outgoing is rendered necessary by another tenant of the property or that tenant's employees, contractors or invitees causing damage to the property or by another tenant failing to comply with that tenant's leasing obligations, then that outgoing shall not be payable by the Tenant.
- The outgoings shall be apportioned between the Landlord and the Tenant in respect of periods current at the commencement and termination of the term.
- The outgoings shall be payable on demand or if required by the Landlord by monthly instalments on each rent payment date of a reasonable amount as the Landlord shall determine calculated on an annual basis. Where any outgoing has not been taken into account in determining the monthly instalments it shall be payable on demand.
- After the 31st March in each year of the term or the date in each year as the Landlord may specify, and after the end of the term, the Landlord shall supply to the Tenant reasonable details of the actual outgoings for the year or period then ended. Any over payment shall be credited or refunded to the Tenant and any deficiency shall be payable to the Landlord on demand.
- Any profit derived by the Landlord and its company by its shareholders either directly or indirectly from the management of the property shall not comprise part of the management expenses payable as an outgoing.

Goods and Services Tax

- The Tenant shall pay to the Landlord or as the Landlord shall direct the GST payable by the Landlord in respect of the rental and other payments payable by the Tenant under this lease. The GST in respect of the rental shall be payable on each occasion when any rental payment falls due for payment and in respect of any other payment shall be payable upon demand.
- If the Tenant shall make default in payment of the rental or other moneys payable under this lease and the Landlord becomes liable to pay Default GST then the Tenant shall on demand pay to the Landlord the Default GST in addition to interest payable on the unpaid GST under subclause 5.1.

Interest on Unpaid Money

- If the Tenant defaults in payment of the rent or other moneys payable under this lease for 10 working days then the Tenant shall pay on demand interest at the default interest rate on the moneys unpaid from the due date for payment to the date of payment.
- Unless a contrary intention appears on the front page or elsewhere in this lease the default interest rate is equivalent to the interest rate charged by the Inland Revenue Department on unpaid tax under the Tax Administration Act 1994 during the period for which the default interest is payable, plus 5 per cent per annum.

Costs

- Each party will pay their own costs of the negotiation and preparation of this lease and any deed recording a rent review or renewal. The Tenant shall pay the Landlord's reasonable costs incurred in considering any request by the Tenant for the Landlord's consent to any matter contemplated by this lease, and the Landlord's legal costs (as between lawyer and client) of and incidental to the enforcement of the Landlord's rights remedies and powers under this lease.

LANDLORD'S PAYMENTS

Outgoings

- Subject to the Tenant's compliance with the provisions of clause 3 the Landlord shall pay all outgoings in respect of the property not payable by the Tenant direct. The Landlord shall be under no obligation to minimise any liability by paying any outgoing or tax prior to receiving payment from the Tenant.

MAINTENANCE AND CARE OF PREMISES

Tenant's Obligations

8.1 The Tenant shall be responsible to:

(a) **Maintain the premises**

In a proper and workmanlike manner and to the reasonable requirements of the Landlord keep and maintain the interior of the premises in the same clean order repair and condition as they were in at the commencement date of this lease (or where the lease is renewed, the commencement date of the initial term of this lease) and will at the end or earlier determination of the term quietly yield up the same in the like clean order repair and condition. The premises condition report (if completed) shall be evidence of the condition of the premises at the commencement date of this lease. In each case the Tenant shall not be liable for fair wear and tear arising from reasonable use.

(b) **Breakages and minor replacements**

Repair or replace glass breakages with glass of the same or better weight and quality, repair breakage or damage to all doors windows light fittings and power points of the premises and replace light bulbs, tubes and power points that wear out with items of the same or better quality and specification.

(c) **Painting**

Paint and decorate those parts of the interior of the premises which have previously been painted and decorated as at the commencement date of this lease (or where the lease is renewed the commencement date of the initial term of this lease) when they reasonably require repainting and redecoration to a specification as approved by the Landlord such approval not to be unreasonably withheld.

(d) **Floor coverings**

Keep all floor coverings in the premises clean and replace all floor coverings worn or damaged other than by fair wear and tear with floor coverings of the same or better quality, specification and appearance when reasonably required by the Landlord.

(e) **Damage or Loss**

Make good any damage to the property or loss caused by improper careless or abnormal use by the Tenant or those for whom the Tenant is responsible, to the Landlord's reasonable requirements.

8.2 Where the Tenant is leasing all of the property, the Tenant shall:

(a) **Care of grounds**

Keep any grounds yards and surfaced areas in a clean and tidy condition and maintain any garden or lawn areas in a tidy and cared for condition.

(b) **Water and drainage**

Keep and maintain the storm or waste water drainage system including downpipes and guttering clear and unobstructed.

(c) **Other works**

Carry out those works maintenance and repairs to the property as the Landlord may require in respect of which outgoings are payable by the Tenant.

8.3 Notwithstanding subclause 8.1(a) the Tenant shall not be liable for the maintenance or repair of any building services but this subclause shall not release the Tenant from any obligation to pay for the cost of any service maintenance contract or charges in respect of the maintenance or repair of the building services if it is an outgoing specified in the First Schedule but only to the extent specified in the First Schedule.

8.4 Notwithstanding any other provision of this lease, the Tenant shall not be liable to repair any inherent defect in the premises nor to pay any outgoings incurred by the Landlord in remedying any inherent defect.

8.5 If the Landlord shall give the Tenant written notice of any failure on the part of the Tenant to comply with any of the requirements of subclauses 8.1 or 8.2 the Tenant shall with all reasonable speed so comply.

Toilets

9.1 The toilets sinks and drains shall be used for their designed purposes only and no substance or matter shall be deposited in them which could damage or block them.

Rubbish Removal

10.1 The Tenant shall regularly cause all of the Tenant's rubbish and recycling to be removed from the premises and will keep the Tenant's rubbish bins or containers in a tidy condition. The Tenant will also at the Tenant's own expense cause to be removed all trade waste boxes and other goods or rubbish not removable in the ordinary course by the local authority.

Landlord's Maintenance

11.1 The Landlord shall keep and maintain the building, all building services and the car parks in good order and repair and weatherproof but the Landlord shall not be liable for any:

(a) Repair or maintenance which the Tenant is responsible to undertake.

(b) Want of repair or defect in respect of building services, so long as the Landlord is maintaining a service maintenance contract covering the work to be done, or where the building services have not been supplied by the Landlord.

(c) Repair or maintenance which is not reasonably necessary for the Tenant's use and enjoyment of the premises and the car parks.

(d) Loss suffered by the Tenant arising from any want of repair or defect unless the Landlord shall have received notice in writing of that from the Tenant and has not within a reasonable time after that taken appropriate steps to remedy the same.

11.2 The Landlord shall keep and maintain service maintenance contracts for lifts, air-conditioning and at the Landlord's option any other building services supplied by the Landlord. Whenever building services cannot be maintained in good order and repair through regular maintenance, the Landlord will if reasonably required replace the services with services of a similar type and quality.

11.3 The Tenant shall be liable to reimburse the Landlord for the cost of any such repair, maintenance or service contract pursuant to subclauses 11.1 and 11.2 if it is an outgoing specified in the First Schedule but only to the extent specified in the First Schedule.

Notification of Defects

12.1 The Tenant shall give to the Landlord prompt written notice of any accident to or defect in the premises of which the Tenant may be aware and in particular in relation to any pipes or fittings used in connection with the water electrical gas or drainage services.

Landlord's Right of Inspection

- 13.1 The Landlord and the Landlord's employees contractors and invitees may at all reasonable times and after having given prior written notice to the Tenant (except in the case of emergencies) enter upon the premises to view their condition.

Landlord may Repair

- 14.1 If default shall be made by the Tenant in the due and punctual compliance with any repair notice given by the Landlord pursuant to this lease, or if any repairs for which the Tenant is responsible require to be undertaken as a matter of urgency then without prejudice to the Landlord's other rights and remedies expressed or implied the Landlord may by the Landlord's employees and contractors with all necessary equipment and material at all reasonable times and on reasonable notice (except in the case of emergencies) enter the premises to execute the works. Any moneys expended by the Landlord in executing the works shall be payable by the Tenant to the Landlord upon demand together with interest on the moneys expended at the default interest rate from the date of expenditure to the date of payment.

Access for Works

- 15.1 The Tenant shall permit the Landlord and the Landlord's employees and contractors at all reasonable times and on reasonable written notice (except in the case of emergencies) to enter the premises for a reasonable period to inspect and carry out works to the premises or adjacent premises and to install inspect repair renew or replace any services where they are not the responsibility of the Tenant or are required to comply with the requirements of any statutes, regulations, by-law or requirement of any competent authority. All repairs inspections and works shall be carried out with the least possible inconvenience to the Tenant subject to subclauses 15.3 and 15.4.
- 15.2 If the Tenant's business use of the premises is materially disrupted because of the Landlord's works provided for in subclause 15.1, then during the period the works are being carried out a fair proportion of the rent and outgoings shall cease to be payable but without prejudice to the Tenant's rights if the disruption is due to a breach by the Landlord of the Landlord's obligation, under subclause 15.1, to cause the least possible inconvenience to the Tenant.
- 15.3 If in the Landlord's reasonable opinion, the Landlord requires the Tenant to vacate the whole or part of the premises to enable the works referred to in subclause 15.1 to be carried out, the Landlord may give the Tenant reasonable written notice requiring the Tenant to vacate the whole or part of the premises and specifying a reasonable period for which the Landlord requires possession. On the expiry of the notice the Landlord may take possession of the premises or the part specified in the notice. A fair proportion of the rent and outgoings shall cease to be payable during the period the Tenant vacates the premises as required by the Landlord.
- 15.4 The Landlord shall act in good faith and have regard to the nature, extent and urgency of the works when exercising the Landlord's right of access or possession in accordance with subclauses 15.1 and 15.3.

USE OF PREMISES

Business Use

- 16.1 The Tenant shall not without the prior written consent of the Landlord use or permit the whole or any part of the premises to be used for any use other than the business use. The Landlord's consent shall not be unreasonably or arbitrarily withheld or delayed in respect of any proposed use which is:
- (a) not in substantial competition with the business of any other occupant of the property which might be affected by the use; and
 - (b) reasonably suitable for the premises; and
 - (c) compliant with the requirements of the Resource Management Act 1991 or any other statutory provisions relating to resource management.
- If any change in use renders any increased or extra premium payable in respect of any policy or policies of insurance on the premises the Landlord as a condition of granting consent may require the Tenant to pay the increased or extra premium.
- 16.2 If any change in use requires compliance with sections 114 and 115 of the Building Act 2004 the Landlord, as a condition of granting consent, may require the Tenant to comply with sections 114 and 115 of the Act and to pay all compliance costs.
- ~~16.3 If the premises are a retail shop the Tenant shall keep the premises open for business during usual trading hours and fully stocked with appropriate merchandise for the efficient conduct of the Tenant's business.~~

Lease of Premises and Car Parks Only

- 17.1 The tenancy shall relate only to the premises and the car parks (if any) and the Landlord shall at all times be entitled to use occupy and deal with the remainder of the property without reference to the Tenant and the Tenant shall have no rights in relation to it other than the rights of use under this lease.

Neglect of Other Tenant

- 18.1 The Landlord shall not be responsible to the Tenant for any act or default or neglect of any other tenant of the property.

Signage

- 19.1 The Tenant shall not affix paint or exhibit or permit to be affixed painted or exhibited any name sign name-plate signboard or advertisement of any description on or to the exterior of the building without the prior approval in writing of the Landlord but approval shall not be unreasonably or arbitrarily withheld or delayed in respect of signage describing the Tenant's business. If approved the signage shall be secured in a substantial and proper manner so as not to cause any damage to the building or any person and the Tenant shall at the end or sooner determination of the term remove the signage and make good any damage occasioned in connection with the signage.

Additions, Alterations, Reinstatement and Chattels Removal

- 20.1 The Tenant shall neither make nor allow to be made any alterations or additions to any part of the premises or alter the external appearance of the building without first producing to the Landlord on every occasion plans and specifications and obtaining the written consent of the Landlord (not to be unreasonably or arbitrarily withheld or delayed) for that purpose. If the Landlord authorises any alterations or additions which are made before the commencement date or during the term of this lease the Tenant will at the Tenant's own expense if required by the Landlord no later than the end or earlier termination of the term reinstate the premises. Ownership of the alterations or additions that are not removed by the end or earlier termination of the lease may at the Landlord's election pass to the Landlord without compensation payable to the Tenant. If the Tenant fails to reinstate then any costs incurred by the Landlord in reinstating the premises whether in whole or in part, within 6 months of the end or earlier termination of the term shall be recoverable from the Tenant.
- 20.2 The Tenant, when undertaking any "building work" to the premises (as that term is defined in the Building Act 2004), shall comply with all statutory requirements including the obtaining of building consents and code compliance certificates pursuant to that Act and shall provide copies of the building consents and code compliance certificates to the Landlord.

- 20.3 The Tenant may at any time before and will if required by the Landlord no later than the end or earlier termination of the term remove all the Tenant's chattels. In addition to the Tenant's obligations to reinstate the premises pursuant to subclause 20.1 the Tenant will make good at the Tenant's own expense all resulting damage and if the chattels are not removed by the end or earlier termination of the term ownership of the chattels may at the Landlord's election pass to the Landlord or the Landlord may remove them from the premises and forward them to a refuse collection centre. Where subclause 27.5 applies, the time by which the Tenant must remove the chattels and to make good all resulting damage will be extended to 5 working days after access to the premises is available.
- 20.4 The cost of making good resulting damage and the cost of removal of the Tenant's chattels shall be recoverable from the Tenant and the Landlord shall not be liable to pay any compensation nor be liable for any loss suffered by the Tenant.

Compliance with Statutes and Regulations

- 21.1 The Tenant shall comply with the provisions of all statutes, ordinances, regulations and by-laws relating to the use of the premises by the Tenant or other occupant and will also comply with the provisions of all licences, requisitions and notices issued by any competent authority in respect of the premises or their use by the Tenant or other occupant provided that:
- (a) The Tenant shall not be required to make any structural repairs alterations or additions nor to replace or install any plant or equipment except where required by reason of the particular nature of the business carried on by the Tenant or other occupant of the premises or the number or sex of persons employed on the premises.
 - (b) The Tenant shall not be liable to discharge the Landlord's obligations as owner under the Building Act 2004 unless any particular obligation is the responsibility of the Tenant as an occupier of the premises.
 - (c) The Tenant will promptly provide the Landlord with a copy of all requisitions and notices received from a competent authority under this subclause.
- 21.2 If the Landlord is obliged by any legislation or requirement of any competent authority to expend moneys during the term of this lease or any renewed term on any improvement addition or alteration to the property which is not the Tenant's responsibility under subclause 21.1 and the expenditure would be an unreasonable amount then the Landlord may determine this lease. Any dispute as to whether or not the amount to be expended by the Landlord is unreasonable shall be determined by arbitration.
- 21.3 The Landlord warrants that allowing the premises to be open to members of the public and allowing the use of the premises by members of the public at the commencement date will not be a breach of section 363 of the Building Act 2004. This clause does not apply to any "building work" (as defined in the Building Act 2004) relating to the fit-out of the premises by the Tenant.
- 21.4 The Tenant, when undertaking any building work to the premises, shall comply with all statutory requirements including the obtaining of building consents and code compliance certificates and shall not allow the premises to be open to members of the public or allow use of the premises by members of the public if that would be in breach of section 363 of the Building Act 2004.
- 21.5 During the term and any renewal, the Landlord shall not give consent to or carry out any building work in any part of the Landlord's property which may cause the Tenant to be in breach of section 363 of the Building Act 2004 by allowing the premises to be open to members of the public and allowing the use of the premises by members of the public.

No Noxious Use

- 22.1 The Tenant shall not:
- (a) Bring upon or store within the premises nor allow to be brought upon or stored within the premises any machinery goods or things of an offensive noxious illegal or dangerous nature, or of a weight size or shape as is likely to cause damage to the building or any surfaced area.
 - (b) Contaminate the property and shall undertake all works necessary to remove any contamination of the property other than contamination not caused by the Tenant or which took place prior to the commencement date of the lease term. Contamination means any change to the physical chemical or biological condition of the property by a "contaminant" as that word is defined in the Resource Management Act 1991.
 - (c) Use the premises or allow them to be used for any noxious illegal or offensive trade or business.
 - (d) Allow any act or thing to be done which may be or grow to be a nuisance disturbance or annoyance to the Landlord, other tenants of the property, or any other person, and generally the Tenant shall conduct the Tenant's business upon the premises in a clean quiet and orderly manner free from damage nuisance disturbance or annoyance to any such persons but the carrying on by the Tenant in a reasonable manner of the business use or any use to which the Landlord has consented shall be deemed not to be a breach of this clause.

INSURANCE

Landlord shall insure

- 23.1 The Landlord shall at all times during the term keep and maintain insurance of the type shown and for the risks specified in the First Schedule. If insurance cover required under this subclause becomes unavailable during the term of this lease or any renewal other than because of the Landlord's act or omission, the Landlord will not be in breach while cover is unavailable, provided the Landlord uses all reasonable endeavours on an ongoing basis to obtain cover. The Landlord will advise the Tenant in writing whenever cover becomes unavailable and provide reasons as to the unavailability. The Landlord will also provide the Tenant with reasonable information relating to the cover when requested by the Tenant.
- 23.2 The parties acknowledge and agree pursuant to section 271 of the Property Law Act 2007 that to the extent of any excess payable regarding any insurance policy held by the Landlord, the excess will represent an amount for which the Landlord has not insured, or has not fully insured the premises or the property against destruction or damage arising from the events that the section applies to. If the Landlord makes any claim against its insurance for any destruction or damage because of any act or omission of the Tenant, the Tenant will pay the Landlord the amount of the excess not exceeding the sum specified in the list of outgoings in the First Schedule.

Tenant not to void insurance

- 24.1 The Tenant shall not carry on or allow upon the premises any trade or occupation or allow to be done any act or thing which:
- (a) Shall make void or voidable any policy of insurance on the property.
 - (b) May render any increased or extra premium payable for any policy of insurance except where in circumstances in which any increased premium is payable the Tenant shall have first obtained the consent of the insurer of the premises and the Landlord and made payment to the insurer of the amount of any such increased or extra premium as may be payable but the carrying on by the Tenant in a reasonable manner of the business use or of any use to which the Landlord has consented shall be deemed not to be a breach of this clause.
- 24.2 In any case where in breach of subclause 24.1 the Tenant has rendered any insurance void or voidable and the Landlord has suffered loss or damage by that the Tenant shall at once compensate the Landlord in full for such loss or damage.

When Tenant to have benefit of Landlord's insurance

- 25.1 Where the property is destroyed or damaged by fire, flood, explosion, lightning, storm, earthquake, volcanic activity or any risk against which the Landlord is (or has covenanted with the Tenant to be) insured the Landlord will not require the Tenant to meet the cost of making good the destruction or damage to the property and will indemnify the Tenant against such cost where the Tenant is obligated to pay for making good such damage or destruction. The Landlord does not have to indemnify the Tenant and the Tenant will not be excused from liability under this subclause if and to the extent that:
- (a) The destruction or damage was intentionally caused by the Tenant or those for whom the Tenant is responsible; or
 - (b) The destruction or damage was the result of an act or omission by the Tenant or those for whom the Tenant is responsible and that act or omission:
 - (1) occurred on or about the property; and
 - (2) constitutes an imprisonable offence; or
 - (c) Any insurance moneys that would otherwise have been payable to the Landlord for the damage or destruction are rendered irrecoverable in consequence of any act or omission of the Tenant or those for whom the Tenant is responsible.

DAMAGE TO OR DESTRUCTION OF PREMISES

Total Destruction

- 26.1 If the premises or any portion of the building of which the premises may form part shall be destroyed or so damaged:
- (a) as to render the premises untenable then the term shall at once terminate from the date of destruction or damage; or
 - (b) in the reasonable opinion of the Landlord as to require demolition or reconstruction, then the Landlord may within 3 months of the date of damage give the Tenant 20 working days notice to terminate and a fair proportion of the rent and outgoings shall cease to be payable as from the date of damage.

Any termination pursuant to this subclause shall be without prejudice to the rights of either party against the other.

Partial Destruction

- 27.1 If the premises or any portion of the building of which the premises may form part shall be damaged but not so as to render the premises untenable and:
- (a) the Landlord's policy or policies of insurance shall not have been invalidated or payment of the policy moneys refused in consequence of some act or default of the Tenant; and
 - (b) all the necessary permits and consents are obtainable,
- the Landlord shall with all reasonable speed expend all the insurance moneys received by the Landlord in respect of such damage towards repairing such damage or reinstating the premises or the building but the Landlord shall not be liable to expend any sum of money greater than the amount of the insurance money received.
- 27.2 Any repair or reinstatement may be carried out by the Landlord using such materials and form of construction and according to such plan as the Landlord thinks fit and shall be sufficient so long as it is reasonably adequate for the Tenant's occupation and use of the premises.
- 27.3 Until the completion of the repairs or reinstatement a fair proportion of the rent and outgoings shall cease to be payable as from the date of damage.
- 27.4 If any necessary permit or consent shall not be obtainable or the insurance moneys received by the Landlord shall be inadequate for the repair or reinstatement then the term shall at once terminate but without prejudice to the rights of either party against the other.

No Access in Emergency

- 27.5 If there is an emergency and the Tenant is unable to gain access to the premises to fully conduct the Tenant's business from the premises because of reasons of safety of the public or property or the need to prevent, reduce or overcome any hazard, harm or loss that may be associated with the emergency including:
- (a) a prohibited or restricted access order applying to the premises; or
 - (b) prohibition on the use of the premises pending the completion of structural engineering or other reports and appropriate certifications required by any competent authority that the premises are fit for use; or
 - (c) restriction on occupation of the premises by any competent authority,
- then a fair proportion of the rent and outgoings shall cease to be payable for the period commencing on the date when the Tenant became unable to gain access to the premises to fully conduct the Tenant's business from the premises until the inability ceases.
- 27.6 This subclause 27.6 applies where subclause 27.5 applies and the premises or building of which the premises form part are not totally or partially destroyed or damaged resulting in the lease being cancelled as provided for in subclauses 26.1 or 27.4. Either party may terminate this lease by giving 10 working days written notice to the other if:
- (a) the Tenant is unable to gain access to the premises for the period specified in the First Schedule; or
 - (b) the party that terminates this lease can at any time prior to termination establish with reasonable certainty that the Tenant is unable to gain access to the premises for that period.
- Any termination shall be without prejudice to the rights of either party against the other.

DEFAULT

Cancellation

- 28.1 The Landlord may (in addition to the Landlord's right to apply to the Court for an order for possession) and subject to section 245(2) of the Property Law Act 2007 cancel this lease by re-entering the premises at the time or at any time after that:
- (a) If the rent shall be in arrears 10 working days after any rent payment date and the Tenant has failed to remedy that breach within 10 working days after service on the Tenant of a notice in accordance with section 245 of the Property Law Act 2007.
 - (b) In case of breach by the Tenant of any covenant or agreement on the Tenant's part expressed or implied in this lease (other than the covenant to pay rent) after the Tenant has failed to remedy that breach within the period specified in a notice served on the Tenant in accordance with section 246 of the Property Law Act 2007.
 - (c) If the Tenant shall make or enter into or endeavour to make or enter into any composition assignment or other arrangement with or for the benefit of the Tenant's creditors.
 - (d) In the event of the insolvency, bankruptcy, statutory management, voluntary administration, receivership or liquidation of the Tenant.

- (e) If the Tenant shall suffer execution to issue against the Tenant's property goods or effects under any judgment against the Tenant in any Court for a sum in excess of five thousand dollars (\$5,000).

The term shall terminate on the cancellation but without prejudice to the rights of either party against the other.

Essentiality of Payments

- 29.1 Failure to pay rent or other moneys payable under this lease on the due date shall be a breach going to the essence of the Tenant's obligations under the lease. The Tenant shall compensate the Landlord and the Landlord shall be entitled to recover damages from the Tenant for such breach. This entitlement shall subsist notwithstanding any determination of the lease and shall be in addition to any other right or remedy which the Landlord may have.
- 29.2 The acceptance by the Landlord of arrears of rent or other moneys shall not constitute a waiver of the essentiality of the Tenant's continuing obligation to pay rent and other moneys.

Repudiation

- 30.1 The Tenant shall compensate the Landlord and the Landlord shall be entitled to recover damages for any loss or damage suffered by reason of any acts or omissions of the Tenant constituting a repudiation of the lease or the Tenant's obligations under the lease. Such entitlement shall subsist notwithstanding any determination of the lease and shall be in addition to any other right or remedy which the Landlord may have.

QUIET ENJOYMENT

- 31.1 The Tenant paying the rent and performing and observing all the covenants and agreements expressed and implied in this lease shall quietly hold and enjoy the premises throughout the term without any interruption by the Landlord or any person claiming under the Landlord.

RENEWAL OF LEASE

- 32.1 If the Tenant has given to the Landlord written notice to renew the lease at least 3 calendar months before the end of the term and is not at the date of the giving of the notice in breach of this lease then the Landlord will grant a new lease for a further term from the renewal date as follows:
- (a) If the renewal date is a market rent review date the annual rent shall be the current market rent which if not agreed on shall be determined in accordance with subclause 2.2 but the annual rent shall not be less than the rent payable as at the commencement date of the immediately preceding lease term.
 - (b) If the renewal date is a CPI rent review date, the annual rent shall be determined in accordance with subclause 2.5.
 - (c) Subject to the provisions of paragraphs (a) and (b) the new lease shall be upon and subject to the covenants and agreements expressed and implied in this lease except that the term of this lease plus all further terms shall expire on or before the final expiry date.
 - (d) The annual rent shall be subject to review during the term of the new lease on the rent review dates specified in the First Schedule.
 - (e) The Landlord as a condition of granting a new lease shall be entitled to have the new lease guaranteed by any guarantor who has guaranteed this lease on behalf of the Tenant who has given notice or the security of a bank guarantee that has been given.
 - (f) If the renewal date is a market rent review date, pending the determination of the rent, the Tenant shall pay an interim rent in accordance with subclauses 2.3 and 2.4.
 - (g) Notwithstanding anything contained in subclause 32.1(f) the interim rent referred to in that subclause shall not be less than the annual rent payable as at the commencement date of the immediately preceding lease term.
 - (h) The parties will not be released by the renewal of the lease from any liability for any breach under this lease.

ASSIGNMENT OR SUBLETTING

- 33.1 The Tenant shall not assign sublet or otherwise part with the possession of the premises, the carparks (if any) or any part of them without first obtaining the written consent of the Landlord which the Landlord shall not unreasonably withhold or delay if the following conditions are fulfilled:
- (a) The Tenant proves to the reasonable satisfaction of the Landlord that the proposed assignee or subtenant is (and in the case of a company that the shareholders of the proposed assignee or subtenant are) respectable responsible and has the financial resources to meet the Tenant's commitments under this lease and in the case of the subtenant the subtenant's commitments under the sublease. The Tenant shall give the Landlord any additional information reasonably required by the Landlord.
 - (b) All rent and other moneys payable have been paid and there is not any subsisting breach of any of the Tenant's covenants.
 - (c) In the case of an assignment a deed of covenant in customary form approved or prepared by the Landlord is duly executed and delivered to the Landlord.
 - (d) In the case of an assignment to a company (other than a company listed on the main board of a public stock exchange in New Zealand or Australia) either a deed of guarantee in customary form approved or prepared by the Landlord is duly executed by the principal shareholders of that company and delivered to the Landlord or a bank guarantee from a registered trading bank in New Zealand on reasonable terms approved by the Landlord as security for the performance by the company of its obligations under this lease is provided to the Landlord.
 - (e) The Tenant pays the Landlord's reasonable costs and disbursements in respect of the approval and the preparation of any deed of covenant or guarantee and (if appropriate) all fees and charges payable in respect of any reasonable inquiries made by or on behalf of the Landlord concerning any proposed assignee subtenant or guarantor. All such costs shall be payable whether or not the assignment or subletting proceeds.
- 33.2 Where the Landlord consents to a subletting the consent shall extend only to the subletting and notwithstanding anything contained or implied in the sublease the consent shall not permit any subtenant to deal with the sublease in any way in which the Tenant is restrained from dealing without consent.
- 33.3 Where any Tenant is a company which is not listed on the main board of a public stock exchange in New Zealand or Australia, then any change in the legal or beneficial ownership of its shares or the shares of its shareholder or issue of new capital in the company or its shareholder where in any case there is a change in the effective management or control of the company will require the written consent of the Landlord which will not be unreasonably withheld or delayed.

UNIT TITLE PROVISIONS

~~34.1~~ Clause 34 applies where the property is part of a unit title development.

Body Corporate

~~34.2~~ The expression "Body Corporate" means the Body Corporate under the Unit Titles Act 2010 (in subclauses 34.2 to 34.7 "the Act") in respect of the property.

Act and Rules Paramount

~~34.3~~ This lease shall be subject to the provisions of the rules of the Body Corporate and the provisions of the Act.

Insurance

~~34.4~~ Unless the Body Corporate has resolved that the Landlord is to insure the building the Landlord's obligation to insure the building shall be satisfied by the Body Corporate maintaining the same insurance cover in accordance with the Act.

Landlord's Obligations

~~34.5~~ The Landlord shall observe and perform all of the Landlord's obligations as a member of the Body Corporate and shall use the Landlord's best endeavours to ensure that the Body Corporate complies with its rules and the provisions of the Act.

Tenant's Obligations

~~34.6~~ The Tenant shall comply with the rules of the Body Corporate and the provisions of the Act to the extent that they apply to the Tenant's use of the property.

Consents

~~34.7~~ Where in this lease the consent of the Landlord is required in respect of any matter then the like consent of the Body Corporate shall also be required if the consent of the Body Corporate to the matter would be necessary under its rules or the Act.

CARPARKS

35.1 The Tenant shall have the right to exclusive possession of the leased car parks, but when any car park is not being used by the Tenant other persons shall be entitled to pass over the same.

35.2 The Landlord may carry out repairs to the car parks and no abatement of rent or other compensation shall be claimed by the Tenant except pursuant to subclauses 26.1 or 27.3.

35.3 The Tenant shall comply with the Landlord's reasonable requirements relating to the use of the car parks and access to them and in particular shall only use the car parks for the parking of one motor vehicle per parking space.

35.4 The provisions of the Second Schedule shall apply to the car parks as appropriate.

GENERAL

Holding Over

36.1 If the Landlord permits the Tenant to remain in occupation of the premises after the expiration or sooner determination of the term, the occupation shall be a periodic tenancy only terminable by at least 20 working days notice given at any time with the tenancy terminating on the expiry of the notice at the rent then payable and otherwise on the same covenants and agreements (so far as applicable to a periodic tenancy) as expressed or implied under this lease.

Access for Re-Letting or Sale

37.1 The Tenant will during the term permit the Landlord, the Landlord's representatives and prospective tenants or purchasers to have access to inspect the premises provided that:

- (a) Any such inspection is at a time which is reasonably convenient to the Tenant and after reasonable written notice.
- (b) The inspection is conducted in a manner which does not cause disruption to the Tenant.
- (c) If the Landlord or the Landlord's representatives are not present the persons inspecting have written authority from the Landlord to do so.

Suitability

38.1 No warranty or representation expressed or implied has been or is made by the Landlord that the premises are now suitable or will remain suitable or adequate for use by the Tenant or that any use of the premises by the Tenant will comply with the by-laws or ordinances or other requirements of any authority having jurisdiction.

Affirmation

39.1 A party to this lease shall not be entitled to cancel this lease if, with full knowledge of any repudiation or misrepresentation or breach of covenant, that party affirmed this lease.

Waiver

40.1 No waiver or failure to act by either party in respect of any breach by the other shall operate as a waiver of another breach.

Land Transfer Title or Mortgagee's consent

41.1 The Landlord shall not be required to do any act or thing to enable this lease to be registered or be required to obtain the consent of any mortgagee of the property and the Tenant will not register a caveat in respect of the Tenant's interest under this lease.

Notices

42.1 All notices must be in writing and must be served by one of the following means:

- (a) In the case of a notice under sections 245 or 246 of the Property Law Act 2007 in the manner prescribed by section 353 of that Act; and
- (b) In all other cases, unless otherwise required by sections 352 to 361 of the Property Law Act 2007:
 - (1) in the manner authorised by sections 354 to 361 of the Property Law Act 2007, or
 - (2) by personal delivery, or by posting by registered or ordinary mail, or by facsimile, or by email.

- 42.2 In respect of the means of service specified in subclause 42.1(b)(2), a notice is deemed to have been served:
- (a) In the case of personal delivery, when received by the addressee.
 - (b) In the case of posting by mail, on the second working day following the date of posting to the addressee's last known address in New Zealand.
 - (c) In the case of facsimile transmission, when sent to the addressee's facsimile number.
 - (d) In the case of email, when acknowledged by the addressee orally or by return email or otherwise in writing except that return emails generated automatically shall not constitute an acknowledgement.
- 42.3 In the case of a notice to be served on the Tenant, if the Landlord is unaware of the Tenant's last known address in New Zealand or the Tenant's facsimile number, any notice placed conspicuously on any part of the premises shall be deemed to have been served on the Tenant on the day on which it is affixed.
- 42.4 A notice shall be valid if given by any director, general manager, lawyer or other authorised representative of the party giving the notice.
- 42.5 Where two or more notices are deemed to have been served at the same time, they shall take effect in the order in which they would have been served but for subclause 47.1(p).
- 42.6 Any period of notice required to be given under this agreement shall be computed by excluding the date of service.

Arbitration

- 43.1 The parties shall first endeavour to resolve any dispute or difference by agreement and if they agree by mediation.
- 43.2 Unless any dispute or difference is resolved by mediation or other agreement within 30 days of the dispute or difference arising, the same shall be submitted to the arbitration of one arbitrator who shall conduct the arbitral proceedings in accordance with the Arbitration Act 1996 or any other statutory provision then relating to arbitration.
- 43.3 If the parties are unable to agree on the arbitrator, an arbitrator shall be appointed, upon request of any party, by the president or vice president of the New Zealand Law Society. That appointment shall be binding on all parties to the arbitration and shall be subject to no appeal. The provisions of Article 11 of the First Schedule of the Arbitration Act 1996 are to be read subject to this and varied accordingly.
- 43.4 The procedures prescribed in this clause shall not prevent the Landlord from taking proceedings for the recovery of any rent or other monies payable under this lease which remain unpaid or from exercising the rights and remedies in the event of the default prescribed in subclause 28.1.

No Implied Terms

- 44.1 The covenants, conditions and powers implied in leases pursuant to the Property Law Act 2007 and sections 224 and 266(1)(b) of that Act shall not apply to and are excluded from this lease where allowed.

Limitation of Liability

- 45.1 If any person enters into this lease as trustee of a trust, then:
- (a) That person warrants that:
 - (1) that person has power to enter into this lease under the terms of the trust; and
 - (2) that person has properly signed this lease in accordance with the terms of the trust; and
 - (3) that person has the right to be indemnified from the assets of the trust and that right has not been lost or impaired by any action of that person including entry into this lease; and
 - (4) all of the persons who are trustees of the trust have approved entry into this lease.
 - (b) If that person has no right to or interest in any assets of the trust except in that person's capacity as a trustee of the trust, that person's liability under this lease will not be personal and unlimited but will be limited to the actual amount recoverable from the assets of the trust from time to time ("the limited amount"). If the right of that person to be indemnified from the trust assets has been lost or impaired as a result of fraud or gross negligence that person's liability will become personal but limited to the extent of that part of the limited amount which cannot be recovered from any other person.
- 45.2 Notwithstanding subclause 45.1, a party to this lease that is named in item 17 of the First Schedule as a limited liability trustee, that person's liability will not be personal and unlimited but limited in accordance with subclause 45.1(b).

Counterparts

- 46.1 This lease may be executed in two or more counterparts, all of which will together be deemed to constitute one and the same lease. A party may enter into this lease by signing a counterpart copy and sending it to the other party, including by facsimile or email.

DEFINITIONS AND INTERPRETATION

- 47.1 In this lease:
- (a) "building services" means all services provided by the Landlord as an integral part of the building for the general use and enjoyment of the building by its tenants or occupants including water, gas, electricity, lighting, air conditioning, heating and ventilation, telecommunications, lifts and escalators whether or not they are located within the premises.
 - (b) "CPI" means the Consumer Price Index (All Groups) published by Statistics New Zealand or other government agency and any revised, replacement or substituted index.
 - (c) "Default GST" means any additional GST, penalty (civil or otherwise), interest, or other sum imposed on the Landlord (or where the Landlord is or was a member of a GST group its representative member) under the GST Act or the Tax Administration Act 1994 by reason of non-payment of any GST payable in respect of the supply made under this lease but does not include any sum levied against the Landlord (or where the Landlord is or was a member of a GST group its representative member) by reason of a default or delay by the Landlord after payment of the GST to the Landlord by the Tenant.
 - (d) "emergency" for the purposes of subclause 27.5 means a situation that:
 - (1) is a result of any event, whether natural or otherwise, including an explosion, earthquake, eruption, tsunami, land movement, flood, storm, tornado, cyclone, serious fire, leakage or spillage of any dangerous gas or substance, infestation, plague, epidemic, failure of or disruption to an emergency service; and
 - (2) causes or may cause loss of life or serious injury, illness or in any way seriously endangers the safety of the public or property; and
 - (3) the event is not caused by any act or omission of the Landlord or Tenant.

- (e) "GST" means the Goods and Services Tax arising pursuant to the Goods and Services Tax Act 1985 and "GST Act" means the Goods and Services Tax Act 1985.
- (f) "premises" includes all the Landlord's fixtures and fittings provided by the Landlord and those set out in the Fifth Schedule.
- (g) "premises condition report" means the report as set out in the Sixth Schedule.
- (h) "renewal" means the granting of a new lease as provided for in subclause 32.1.
- (i) "rules" in clause 34 means the Body Corporate operational rules under the Unit Titles Act 2010 and any amendments to those rules or replacement rules.
- (j) "structural repair" means a repair, alteration or addition to the structure or fabric of the building but excluding building services.
- (k) "term" includes, where the context requires, a further term if the lease is renewed.
- (l) "the common areas" means those parts of the property the use of which is necessary for the enjoyment of the premises and which is shared with other tenants and occupiers.
- (m) "the Landlord" and "the Tenant" means where appropriate the executors, administrators, successors and permitted assigns of the Landlord and the Tenant.
- (n) "the property" and "the building" mean the land, building(s) or improvements of the Landlord which comprise or contain the premises. Where the premises are part of a unit title development the words "the property" mean the land and building(s) comprised in the development.
- (o) "those for whom the Tenant is responsible" includes the Tenant's agents employees contractors or invitees.
- (p) "working day" has the meaning given to it in the Property Law Act 2007. Notices served after 5pm on a working day, or on a day which is not a working day, shall be deemed to have been served on the next succeeding working day.
- (q) A reference in this lease to any law, legislation or legislative provision includes any statutory modification, amendment or re-enactment, and any subordinate legislation or regulations issued under that legislation or legislative provision.
- (r) A reference to the words "include" or "including" are to be interpreted without limitation.
- (s) If any inserted term (including any Further Term in the Third Schedule) conflicts with the covenants in the First, Second and Fourth Schedules, the inserted term will prevail.
- (t) Whenever words appear in this lease that also appear in the First Schedule then those words shall mean and include the details supplied after them in the First Schedule.
- (u) Where the context requires or admits, words importing the singular shall import the plural and vice versa.
- (v) Where the Landlord's consent or approval to any matter is required under this lease then, unless expressly stated to the contrary in this lease, in each case the Landlord:
 - (1) must not unreasonably withhold consent or approval, and
 - (2) must, within a reasonable time of the Landlord's consent or approval being requested:
 - (i) grant that consent or approval; or
 - (ii) notify the Tenant in writing that the consent or approval is withheld.

THIRD SCHEDULE

FURTHER TERMS (if any)

48. Right of First Refusal to Lease

- 48.1 If at any time during the term the Landlord wishes to lease any part of the building to a third party the Landlord shall first provide written notice of its intention to lease that part of the building (setting out the terms and conditions of the proposed lease) to the Tenant ("Notice").
- 48.2 The Tenant shall have twenty (20) working days from the date of receipt of the Notice to provide written notice to the Landlord ("Acceptance") that it wishes to lease the part of the building referred to in the Notice on the terms and conditions set out in the Notice.
- 48.3 Failing receipt of a corresponding Acceptance within twenty (20) working days of service of a Notice, the Landlord may lease that part of the building referred to in the Notice to a third party on terms no more favourable (from a tenant's perspective) to those set out in the Notice at any time within six (6) months of the date of the Notice.

FOURTH SCHEDULE

GUARANTEE

~~IN CONSIDERATION of the Landlord entering into the lease at the Guarantor's request the Guarantor:~~

- ~~(a) Guarantees payment of the rent and the performance by the Tenant of the covenants in the lease;~~
- ~~(b) Indemnifies the Landlord against any loss the Landlord might suffer should the lease be lawfully disclaimed or abandoned by any liquidator, receiver or other person.~~

~~THE GUARANTOR covenants with the Landlord that:~~

- ~~1. No release delay or other indulgence given by the Landlord to the Tenant or to the Tenant's successors or assigns or any other thing by which the Guarantor would have been released had the Guarantor been merely a surety shall release prejudice or affect the liability of the Guarantor as a guarantor or as indemnifier.~~
- ~~2. As between the Guarantor and the Landlord the Guarantor may for all purposes be treated as the Tenant and the Landlord shall be under no obligation to take proceedings against the Tenant before taking proceedings against the Guarantor.~~
- ~~3. The guarantee and indemnity is for the benefit of and may be enforced by any person entitled for the time being to receive the rent.~~
- ~~4. An assignment of the lease and any rent review in accordance with the lease shall not release the Guarantor from liability.~~
- ~~5. Should there be more than one Guarantor their liability under this guarantee and indemnity shall be joint and several.~~
- ~~6. The Guarantee and indemnity shall extend to any holding over by the Tenant.~~

FIFTH SCHEDULE

LANDLORD'S FIXTURES AND FITTINGS

(Subclause 47.1(f))

DRAFT



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DRAFT

SIXTH SCHEDULE

PREMISES CONDITION REPORT

(Subclause 8.1)

DRAFT



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DRAFT

Dated _____ 2020

Between

SELWYN DISTRICT COUNCIL

Landlord

and

CANTERBURY DISTRICT HEALTH BOARD

Tenant

and

Guarantor

DEED OF LEASE

General address of the premises:

Selwyn Health Hub

Norman Kirk Drive, Rolleston

SEVENTH SCHEDULE: PRELIMINARY DESIGN AND OUTLINE SPECIFICATIONS

The following documents located within the joint dropbox

(<https://www.dropbox.com/sh/rk6fz82s1ivoj10/AAABgMXfU6EIHiVWwyazBzXca?dl=0>):

- Architectural Drawings and Specification – Final Building Consent Issue submitted on 29 October 2019
- Structural Drawings and Specification – Final Building Consent Issue submitted on 29 October 2019
- Fire Drawings and Specification – Final Building Consent Issue submitted on 29 October 2019
- Mechanical Drawings and Specification – Final Building Consent Issue submitted on 29 October 2019
- Hydraulics Drawings and Specification – Final Building Consent Issue submitted on 29 October 2019
- Electrical Drawings and Specification – Final Building Consent Issue submitted on 29 October 2019
- Civil Drawings and Specification – Final Building Consent Issue submitted on 29 October 2019
- Landscaping Drawings and Specification – Final Building Consent Issue submitted on 29 October 2019

EIGHTH SCHEDULE: PROGRAMME

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DATED _____

BETWEEN

Landlord SELWYN DISTRICT COUNCIL

Ph _____

Fax _____

Email _____

AND

Tenant CANTERBURY DISTRICT HEALTH BOARD

Ph _____

Fax _____

Email _____

AGREEMENT TO LEASE

© This form is copyright to
Auckland District Law Society Inc

General address of the premises:
Norman Kirk Drive, Rolleston

Amy Watson, Buddle Findlay, Christchurch

Landlord's lawyer (indicate individual acting)

Tenant's lawyer (indicate individual acting)

Deposit paid to _____

Amount: \$ _____

Date paid _____

LEASE NEGOTIATED BY:

Licensed Real Estate Agent

Office _____

Address _____

Telephone _____

Manager _____

Salesperson _____

Appendix 3

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Media statement, for use in response to enquiries only

Canterbury DHB is preparing to become part of the national bowel screening programme, October 2020.

In order to be ready for the programme, we need to increase our capacity to carry out endoscopies, in particular colonoscopies. We do not have space in existing facilities and so undertaking a process to find out what buildings exist that might be suitable, or whether a suitable site is available for a new building within Christchurch's four avenues.

The procurement process we use is as prescribed for all publicly-funded organisations where the expenditure or project is significant. This ensures transparency and accountability where public money is being spent. The Ministry of Health is aware we have started the process and expressions of interest were invited through the GETS site, which is used by all government agencies for this purpose.

Our main aim is to increase capacity in services that will be needed to support the National Bowel Screening Programme.

Our secondary aim is to test whether an existing building or site could also accommodate a primary birthing facility and/or provide space for a large primary care provider that has outgrown their current accommodation. Providing a DHB-run primary birthing facility in the central city is consistent with the recently completed Maternity Strategy and this process will help us to cement our future thinking in this space. No decision has been made about future services at this stage.

We include consideration of a primary birthing facility and primary care space in the expressions of interest process at this stage to ensure we are able to consider all options and potential efficiencies and in order to inform future Board and Executive Team decisions.

Whether the DHB provides additional funding and accommodation for all of these services will still need to go through appropriate approval processes involving the Ministry, Board and Executive Team.

Media Q&As, not to be issued

Q: Explain the ROI process.

ROI (Registration Of Interest) is a first step in advance of preparing a business case. It tests the market to ensure there are businesses or service providers capable of building or supplying what is being proposed, and whether they are interested in doing so.

It is a requirement for all publicly-funded organisations to follow a set ROI process for significant projects or expenditure, to ensure transparency and accountability.

What is a closed RFP?

A closed RFP is where only Respondents shortlisted in an initial ROI process are eligible to tender.

Q: Does this mean there will definitely be a central city primary birthing unit, run by the DHB?

No, our key focus at this stage is to find additional space for Endoscopy to enable us to manage the increased volumes that will occur as a result of the rollout of the National Bowel Screening programme. i

Providing a DHB-run primary birthing facility is, however, consistent with the recently completed Maternity Strategy.

Q: Why have you started a process for a primary birthing unit, before you have approval from the Board?

The Board has recognised and supported the need for a primary birthing facility in the central city in the past. They need more information including what might be provided and what it might cost before they can make a decision. This process will help to provide that information.

Also, providing a DHB-run primary birthing facility is consistent with the recently completed Maternity Strategy. That Strategy has been signed off by the appropriate decision-makers.

Q: What would happen to your contract with St George's Hospital for primary birthing services if the DHB-owned facility goes ahead?

As no decision has been made on providing alternative primary birthing capacity in the central city, it's too early for us to be able to respond to that question. St George's Hospital is a valued partner in providing health services, including maternity, and we would always talk to them before making decisions that could potentially affect them.

Q: Why is the DHB not developing on land it already owns?

We have not identified any land that is clearly suitable, but we are not ruling any options out at this stage.

Q: What happens if an interested party only wants to develop one or two of the proposed services?

Finding a suitable site for the services that will need increased capacity to support the National Bowel Screening Programme is an essential outcome from this process.

Including the other two components at this stage is about maximising our options and the ROI wording allows for any, or all three potential services to be on separate sites.

Q: Where would the money come from?

We are too early in the process to consider costs as we don't know what they might be. The RFP will help to provide information that will in turn help inform our decision-makers.

Q: Would this increase the planned deficit?

We are too early in the process to talk costs and the financial impact, and no decisions have been made except that we will need additional capacity in order to be able to deliver the National Bowel screening Programme in Canterbury. The Ministry of Health will of course be part of any discussions about setting up a new space to assist with delivering the National Bowel Screening Programme in Canterbury.

Q: Will the DHB receive extra money for the build and running of this facility, and will it cover the full costs?

We don't know at this stage, but we will be working with the Ministry of Health to establish what might be needed and where the funding will come from.

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Request for Proposals

Central City Health Facility

RFP released: 15/06/2020

Deadline for Questions: 5pm 13/07/2020

Deadline for Proposals: 10am 27/07/2020

Canterbury District Health Board
Christchurch

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This opportunity in a nutshell

What we need

The Canterbury population is growing, ageing and becoming more diverse. In addition, the National Bowel Screening programme is about to be rolled out in Canterbury. As a result, the Canterbury DHB is seeking additional health facility space in central Christchurch. Additional clinical space is required for our Endoscopy service and we are considering further capacity in Primary Birthing for our Maternity service. We are also aware of other health providers that are interested in co-locating with these services.

Ideally, we are looking for one site, although the services could be housed together in one building or in separate buildings. Any site must be able to be used for the intended purpose, including being able to operate 24 hours a day and seven days a week, and must be easily accessible by public and private transport. The facility or facilities must have spaces that are fit for purpose, flexible and deliver a good patient experience. Our most immediate pressure is related to space for the Endoscopy service.

We are seeking the following from Respondents at this stage:

1. A detailed proposal for a facility (or facilities) that could accommodate Endoscopy, Primary Birthing and additional clinic space for a third party
2. A proposal for a facility to accommodate Endoscopy only
3. A proposal for a facility to accommodate Primary Birthing only.

Ideally, respondents would provide us with a proposal for each of the above, however, given Endoscopy is the most urgent, we will accept responses providing an option for Endoscopy only. Further information on the requirements for each of the services is provided in section 3 of this document and in the attached functional brief. If the response is for building shell only, then we will design and fitout. If the response is for a building and fitout then we will require input to the design process.

What we don't want

The Canterbury DHB will manage and staff the Endoscopy service and Primary Birthing Unit, so we are not looking for proposals to provide services on our behalf. The facility or facilities must be located in central Christchurch (see section 3 for details).

What's important to us

We are looking for a location with easy access to Christchurch Hospital campus as well as easily accessible for patients and staff. The facility or facilities must be flexible and fit for purpose ("long life loose fit") and be able to be operated 24 hours a day, seven days a week.

Why should you bid?

This is an opportunity to partner with the Canterbury DHB in delivering integrated local health services. This is a long-term lease opportunity with a stable tenant with a strong track record of taking good care of leased facilities.

A bit about us

The Canterbury DHB is a Crown entity responsible to the Minister of Health for funding and provision of public health and disability services for the population of Canterbury. Our vision is for an integrated health system that keeps people healthy and well in their own homes by providing the right care and support, to the right person, at the right time and place. We work closely with a variety of partners in Canterbury, across the South Island and nationally to realise this vision.

SECTION 1: Key information



1.1 Context

- a. This Request for Proposal (RFP) is an invitation to suitably qualified suppliers to submit a Proposal for the Central City Health Hub contract opportunity.
- b. This RFP is the second step in a multi-step procurement process.
- c. Words and phrases that have a special meaning are shown by the use of capitals e.g. Respondent, which means *'a person, organisation, business or other entity that submits a Proposal in response to the RFP. The term Respondent includes its officers, employees, contractors, consultants, agents and representatives. The term Respondent differs from a supplier, which is any other business in the market place that does not submit a Proposal.'* Definitions are at the end of [Section 6](#).



1.2 Our timeline

- a. Here is our timeline for this RFP.

Steps in RFP process:

Date:

Deadline to register for supplier briefing session: 03/07/2020

Date of the supplier briefing session: 09/07/2020

Deadline for Questions from suppliers: 13/07/2020

Deadline for the Buyer to answer suppliers' questions: 17/07/2020

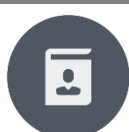
Deadline for Proposals: 10am 27/07/2020

Unsuccessful Respondents notified of award of Contract: tbc

Respondents' debriefs: tbc

Anticipated Contract start date: tbc

- b. All dates and times are dates and times in New Zealand.



1.3 How to contact us

- a. All enquiries must be directed to our Point of Contact. We will manage all external communications through this Point of Contact.

-
- b. If you would like to attend our supplier briefing session, please email our Point of Contact to register.

c. **Our Point of Contact**

Name: Rosie Strachan

Title/role: Contracts Specialist

Email address: Rosina.Strachan@cdhb.health.nz



1.4 Developing and submitting your Proposal

- a. This is a closed, competitive tender process. The RFP sets out the step-by-step process and conditions that apply.
- b. Take time to read and understand the RFP. In particular:
- develop a strong understanding of our Requirements detailed in [Section 2](#).
 - in structuring your Proposal consider how it will be evaluated. [Section 3](#) describes our Evaluation Approach.
- c. For helpful hints on tendering and access to a supplier resource centre go to: www.procurement.govt.nz/for-suppliers.
- d. If anything is unclear or you have a question, ask us to explain. Please do so before the Deadline for Questions. Email our [Point of Contact](#).
- e. In submitting your Proposal, you must use the Response Form provided
- f. You must also complete and sign the Declaration at the end of the Response Form.
- g. You must use the pricing schedule template attached at the end of this section for your pricing information.
- h. This RFP is using the 2-envelope system. The documents should use an Arial 10pt or Calibri 11pt font for both the printed and electronic copies.
- i. Check you have provided all information requested, and in the format and order asked for.
- j. Having done the work don't be late – please ensure you get your Proposal to us before the Deadline for Proposals!
-



1.5 Address for submitting your Proposal

Deliver hard copies with one soft copy

- a. Proposal must be delivered in both hard copy and soft copies. We require ten hard copies and one electronic copy on a memory stick. Please send or deliver them to the following address:

For Proposals delivered by hand or courier:

Tender Box
 Canterbury District Health Board
 1st Floor
 32 Oxford Terrace
 Christchurch

- b. Proposals sent by fax or email will **not** be accepted.
-



1.6 Our RFP Process, Terms and Conditions

- a. **Offer Validity Period:** In submitting a Proposal the Respondent agrees that their offer will remain open for acceptance by the Buyer for four (4) calendar months from the Deadline for Proposals.
- b. The RFP is subject to the RFP Process, Terms and Conditions (shortened to RFP-Terms) described in [Section 6](#).: We have not made any variation to the RFP-Terms.



1.7 Later changes to the RFP or RFP process

- a. If, after publishing the RFP, we need to change anything about the RFP, or RFP process, or want to provide suppliers with additional information we will let all suppliers know by placing a notice on the Government Electronic Tenders Service (GETS) at www.gets.govt.nz.
- b. If you downloaded the RFP from GETS you will automatically receive notifications of any changes through GETS by email.



CDHB CCH Pricing
Schedule.xlsx

SECTION 2: Our Requirements

2.1 Background

This procurement relates to the delivery of services in Endoscopy and/or Primary Birthing. Other healthcare providers have expressed an interest in co-locating with these DHB services.

Endoscopy: With the imminent rollout of the National Bowel Screening Programme in Canterbury, the Canterbury DHB needs to increase overall endoscopy capacity. We are looking to work with Respondents to build or lease endoscopy suites plus supporting space in which we can operate our endoscopy services.

Primary birthing: Over the last 12-18 months we have been re-evaluating how we deliver maternity services. Underpinning this approach is a need to redirect service flow away from the tertiary maternity facility and provide greater opportunities for healthy women to birth in their own communities when clinically appropriate. To support this, we want to work with Respondents to identify opportunities to develop a central city primary birthing unit.

Other healthcare providers: Other healthcare providers have expressed interest in co-locating with DHB services. This would require additional primary service consultation rooms and associated offices and waiting areas.

2.2 What we are buying and why

The Canterbury DHB wishes to lease clinical space in either an existing building or in a new build, in which we can run Endoscopy and Primary Birthing services. We ideally want the services housed on the same site. We are seeking the following from Respondents at this stage:

1. A detailed proposal for a facility (or facilities) that could accommodate Endoscopy, Primary Birthing and additional clinic space for a third party
2. A detailed proposal for a facility to accommodate Endoscopy only
3. A detailed proposal for a facility to accommodate Primary Birthing only.

Ideally, respondents would provide us with all three proposals, however, given Endoscopy is the most urgent, we will accept responses providing an option for Endoscopy only. We will design a fitout for our needs and are open to potentially partnering with the successful Respondent in delivering a fit out to our specifications.

As the Primary Birthing and Endoscopy services are expected to experience increasing volumes, we are looking for facility space which is flexible and can grow with these services.

Another health provider has expressed interest in co-locating with these services. If a space is available, the external health provider would be a separate tenant.

Requirements common to all:

We want to lease a building or buildings, either existing or purpose built. We are open to interest from Respondents to build or lease clinic space for the services singly or in combination.

The building(s) must be suitable for clinical use and must be fully assessable including bariatric access. There should be a covered entryway able to accommodate ambulances away from the main entrance to the building. Medical gases must be able to be piped through the Endoscopy and Primary Birthing sections of the building. Multi-storey buildings must have lift access, with the lift(s) large enough to accommodate the transportation of a hospital bed.

Any buildings must meet the requirements of the Building Act and be designed in accordance with best industry practice, including meeting the Australasian Health Facility Guidelines.

The site must be centrally located – ideally within the four avenues (Fitzgerald, Moorhouse, Deans/Harper and Bealey), but should not be further than one kilometre outside this area. The site must be capable of being used for our proposed use (zoning/consents). The building(s) must have space for parking for staff, patients and their families/whānau and be within 0.25km of bus stops for one or more high-frequency routes (every 15 mins during the day), particularly those servicing the northern/eastern suburbs.

Depending on the combination and layout of services housed, the following may be able to be shared:

- *reception area(s)*
- *whānau rooms*
- *waiting areas*
- *meeting rooms*
- *clinic and office spaces*
- *staff tea room/kitchen*
- *secure bicycle parking*
- *public and staff toilets and showers*
- *storage.*

The Functional Brief provides further detail.

2.3 What we require: the solution

This RFP relates to the lease of an appropriate building or buildings, either existing or new, to accommodate the services as mentioned. The Canterbury DHB has carried out initial investigations with the services involved to determine a Schedule of Accommodation with input from an architect and services engineers. The Schedule of Accommodation is based on the Australasian Health Facility Guidelines and outlines the minimum requirements of the services involved.

We would like to investigate several options as part of this RFP and the response should reference these options. If you are unable to offer a particular option, then please state.

Option	Option Outline	Option Occupant
1	Landlord Design and Build all clinical services buildings - shell only. CDHB Design and Build fitout	Endoscopy Unit General office space Birthing Unit Allowance for additional third party
2	Landlord Design and Build all clinical services buildings - complete including fitout	Endoscopy Unit General office space Birthing Unit Allowance for additional third party
3	Landlord Design and Build Endoscopy Unit building - shell only. CDHB Design and Build fitout	Endoscopy Unit General office space
4	Landlord Design and Build Endoscopy Unit building - complete including fitout	Endoscopy Unit General office space
5	Landlord Design and Build Birthing Unit building - shell only. CDHB Design and Build fitout	Birthing Unit
6	Landlord Design and Build Birthing Unit building - complete including fitout	Birthing Unit

Building - shell only option: it is expected that the respondent will provide a fit for purpose building shell that the Canterbury DHB can then have consultants and contractors of its choosing to design and fit out prior to occupation.

Building - complete including fitout option: it is expected that the respondent will work with nominated Canterbury DHB staff to provide input to the design and monitor progress of the construction using consultants and contractors of the respondents choosing. It should be noted that the Canterbury DHB expects to have a high level of clinical input and project management overview.

2.4 What we require: capacity and capability/functional requirements

Details of the requirements for each service are listed in the Schedule of Accommodation. The following is an overview of each service.

General requirements:

The Respondent must own, or have secured contractual rights to own, suitable land (being bare land or with an existing building depending on the proposed solution) for the solution proposed. Such land must be able to meet all regulatory and building requirements for the solution proposed e.g. Local and Regional Council, Building Act and other requirements as appropriate.

It would be preferred that any building offered would have fire sprinklers installed. Having sprinklers as part of the fire protection system allows a limited amount of additional time for clinicians with a patient undergoing a procedure to prepare them for safe evacuation. If the offer is based on a multi-storey building, then the preference is to have the Primary Birthing located on the upper floor.

All the clinical services have specific requirements for electrical and HVAC which are covered in the Schedule of Accommodation. There will also be general Canterbury DHB specific requirements for fixtures and fittings, security, data communications, and fire evacuation procedures.

Endoscopy:

- Usage: eleven hours per day, five days per week
- Occupation: day procedures only, no overnight patients
- Footprint: estimated final space requirement 1574m²

For Endoscopy we require a facility which can accommodate three procedure rooms immediately and a total of four procedure rooms within three years of opening. This translates to approximately 35-40 patients per day initially with capacity to increase to 50 patients per day. In addition to the procedure rooms, we require a reprocessing area; pre and post procedure areas; interview rooms; associated ancillary space such as reception, waiting, administration, staff amenities, storage and toilets.

A workflow diagram is included which shows how the service operates and the functional relationship between the various spaces. Any design submitted would need to be able to provide these workflows and relationships.

The amount of space that will be used at occupation (three of the four procedure rooms in service), is lower than eventually required. However, in the case of a new build/configuration, it would be expected that these spaces were finished to a level where occupation could take place at any time. Leaving these areas unfinished until required would cause disruption and the inability to perform procedures while construction was underway to complete them.

There will be a requirement for one Class S isolation room and the location details for this are located in the Schedule of Accommodation.

Medical gases will be reticulated throughout, from a central medical gas room. Regardless of the type of building proposed the medical gas room will be required to be on the ground floor with clear access for a truck to deliver and pick up G-size medical gas bottles. Visibility must be able to be maintained between the truck and medical gas room door at all times. It is expected that the appropriate HANZO requirements will be able to be met, including but not limited to distance to other buildings and items or plant.

All design and construction for the Endoscopy facility space shall meet the requirements of the Australasian Health Facility Guidelines. Other design guidelines that shall be referenced for this facility are:

- With reference to the Global Rating Scale (GRS) quality improvement tool for Endoscopy Services.
- National Endoscopy Quality Improvement Programme (NEQIP)
- GESA / GENCA Facility Guidelines for Endoscopy Units (2011)
- PS09 Guidelines on Sedation and/or Analgesia for Diagnostic and Interventional Medical, Dental or Surgical Procedures (2014)
- Australian and New Zealand College of Anaesthetists (ANZCA)
- Endoscopy Unit Standards for Performing Bowel Cancer Screening in New Zealand (2017)
- Endoscopy Governance Group for New Zealand (EGGNZ).

Primary Birthing:

- Usage: twenty-four hours per day, seven days per week
- Occupation: overnight birthing and sleeping patients
- Footprint: estimated final space requirement 1672m²

We would require a Primary Birthing facility which can initially accommodate 800-1000 births per year, increasing to 1200 within 3 years of opening.

Like Endoscopy, the Primary Birthing facility would start with three operational birthing rooms and the fourth completed but not occupied. There will be twenty post-natal bedrooms with shared ensuites between pairs of rooms.

In addition to the birthing and post-natal bedrooms, we require assessment rooms; a whanau room medication room; dirty utility room; beverage bay; general lounge; associated ancillary space such as reception, waiting, administration, staff amenities, storage and toilets.

Birthing suites are approximately 50m² and post-natal bedrooms approximately 21m² in modern primary birthing facilities. All birthing suites and any specific rooms identified would need to be sound-proofed. This service will also require space for a small cook-chill meal preparation area and other ancillary spaces.

Medical gases will be reticulated throughout the birthing rooms and supplied from the same central system as Endoscopy.

Allowance for General Office Space:

- Usage: ten hours per day, five days per week
- Occupation: administration only, no overnight patients
- Footprint: estimated final space requirement 100m²

The Canterbury DHB has a requirement to house an administration type service. The details of this service have not been confirmed and does not appear in the Schedule of Accommodation. However, it is known that if this option was taken up it would be a general office style fitout of the size listed. It would be mainly open plan with a small meeting room, staff room, and toilets.

Allowance for a Third Party

- Usage: fourteen hours per day, five days per week
- Occupation: general medical practice, no overnight patients
- Footprint: estimated final space requirement 1043m²

The Canterbury DHB is aware of interest from other health providers in co-locating with the above services, so we are interested in hearing from Respondents able to accommodate additional services. If this option was taken up, then the Respondent would negotiate directly with the third party, regarding lease arrangements and fitout. It is anticipated that this service is similar to a general medical practice requiring clinic and supporting space and 15-20 car parking spaces over and above the Canterbury DHB requirements.

2.5 What we require: capability

We would require the Respondent to have a proven track record of delivering fit for purpose facilities in a timely manner and within budget. Demonstrated experience in the Healthcare sector may be beneficial.

The Respondent must be willing to engage in the Canterbury DHB design and construction process which will involve meeting our staff and representatives who will provide valuable input to the design process. During construction it is envisaged that our nominated staff or representatives will be part of the construction process in an observation role to monitor and comment on progress and be in a position to offer technical advice and direction.

2.6 Contract term

Contract commencement date would depend on whether there is an existing facility, or a new-build required. The anticipated initial term of the lease is 15 years with ongoing rights of renewal. This can be negotiated.

For the proposed form of contract, we anticipate the parties entering into a lease on the latest edition of the Auckland District Law Society standard form Agreement to Lease with appropriate further terms for the construction/fit-out works (depending on the solution).

Potentially interested parties should note that the DHB may require the approval of the Minister of Health.

We anticipate that the Contract will commence by negotiation. The anticipated Contract term and options to extend are:

Description	Years
Initial term of the Contract	15 years or as negotiated
Options to extend the Contract	options for extension to be discussed with the successful Respondent.

2.7 Key outcomes

The following are the key outcomes that are to be delivered.

- A fit for purpose building shell (shell only option) ready for the Canterbury DHB to begin fitout construction within 3 months of award of the RFP
- A fit for purpose building (complete including fitout option) ready for occupation within 16 months of award of the RFP

2.8 Other tender documents

In addition to this RFP we refer to the following documents. These have been uploaded on GETS and are available for all Respondents participating in this second stage closed RFP. These documents form part of this RFP.

Functional brief made up of the architectural schedule of accommodation and flow diagrams followed by the electrical, mechanical, hydraulic, and fire engineering requirements.



CDHB CCH
Schedule of Accomn

The pricing schedule is included in Section 1.

SECTION 3: Our Evaluation Approach

3.1 Evaluation model

The evaluation model that will be used is weighted attribute (weighted criteria). Price is a weighted criterion. This means that all Proposals that are capable of full delivery on time will be shortlisted. The Proposal that scores the highest will likely be selected as the Successful Respondent.

A 'two envelope' system will be used for the evaluation. This means that Respondents must provide all financial information relating to price, expenses and costs in a separate sealed envelope/soft copy folder using the template supplied.

The evaluation panel will firstly score each Proposal based on the weighted criteria listed below. Proposals will then be ranked according to their scores. Following completion of the scoring the sealed envelopes containing financial information will be presented to the panel. The panel will then assess which Proposals to shortlist based on best value-for-money over the whole-of-life of the Contract i.e. the scores and the total costs over the whole-of-life of the Contract.

3.2 Pre-conditions

Each Proposal must meet all of the following pre-conditions. Proposals which fail to meet one or more will be eliminated from further consideration.

Respondents who are unable to meet all pre-conditions should conclude that they will not benefit from submitting a Proposal.

#	Pre-condition
1.	The Respondent must own, or have secured contractual rights to own, suitable land (being bare land or with an existing building depending on the proposed solution) for the solution proposed. Such land must be able to meet all regulatory and building requirements for the solution proposed e.g. Local and Regional Council, Building Act and other requirements as appropriate.

3.3 Evaluation criteria

Proposals will be evaluated on their merits according to the following evaluation criteria and weightings.

Criterion	Weighting
1. Proposed solution (fit for purpose)	
Location provides easy access to Christchurch Hospital and is located within 1 km of the four avenues	10%
The location is able to be operated as a health facility (including operating 24/7 with ambulance access if it includes Primary Birthing)	5%
Flexibility – long life-loose fit; ability to grow to desired capacity within 3 years	10%
2. Capability and Capacity of Respondent to deliver	
Able to meet the requirements and specifications set out in the Schedule of Accommodation?	15%
Facility is able to be occupied within the timeframes as outlined in section 2.7	15%
Capability and capacity, including financial resources, for the Respondent and their contractors to deliver the facility	10%
3. Price	
Details as per the pricing schedule	35%
Total weightings	100%

3.4 Scoring

The following scoring scale will be used in evaluating Proposals. Scores by individual panel members may be modified through a moderation process across the whole evaluation panel.

Rating	Definition	Score
EXCELLENT significantly exceeds the criterion	Exceeds the criterion. Exceptional demonstration by the Respondent of the relevant ability, understanding, experience, skills, resource and quality measures required to meet the criterion. Proposal identifies factors that will offer potential added value, with supporting evidence.	9-10
GOOD exceeds the criterion in some aspects	Satisfies the criterion with minor additional benefits. Above average demonstration by the Respondent of the relevant ability, understanding, experience, skills, resource and quality measures required to meet the criterion. Proposal identifies factors that will offer potential added value, with supporting evidence.	7-8

ACCEPTABLE meets the criterion in full, but at a minimal level	Satisfies the criterion. Demonstration by the Respondent of the relevant ability, understanding, experience, skills, resource, and quality measures required to meet the criterion, with supporting evidence.	5-6
MINOR RESERVATIONS marginally deficient	Satisfies the criterion with minor reservations. Some minor reservations of the Respondent's relevant ability, understanding, experience, skills, resource and quality measures required to meet the criterion, with little or no supporting evidence.	3-4
SERIOUS RESERVATIONS significant issues that need to be addressed	Satisfies the criterion with major reservations. Considerable reservations of the respondent's relevant ability, understanding, experience, skills, resource and quality measures required to meet the criterion, with little or no supporting evidence.	1-2
UNACCEPTABLE significant issues not capable of being resolved	Does not meet the criterion. Does not comply and/or insufficient information provided to demonstrate that the Respondent has the ability, understanding, experience, skills, resource and quality measures required to meet the criterion, with little or no supporting evidence.	0

3.5 Price

We wish to obtain the best value-for-money over the whole-of-life of the Contract. This means achieving the right combination of fit for purpose, quality, on time delivery, quantity and price.

If a Respondent offers a price that is substantially lower than other Proposals (an abnormally low bid), the Buyer may seek to verify with the Respondent that the Respondent is capable of fully delivering all of the Requirements and meeting all of the conditions of the Proposed Contract for the price quoted.

3.6 Evaluation process and due diligence

In addition to the above, we will undertake the following process and due diligence in relation to shortlisted Respondents. The findings will be taken into account in the evaluation process.

- a. reference check the Respondent organisation and named personnel

3.7 Optional evaluation process and due diligence

In addition to the above, we may undertake the following process and due diligence in relation to shortlisted Respondents. The findings will be taken into account in the evaluation process. Should we decide to undertake any of these we will give shortlisted Respondents reasonable notice.

- a. reference check the Respondent organisation and named personnel
- b. other checks against the Respondent e.g. Companies Office
- c. interview Respondents
- d. request Respondents make a presentation
- e. arrange site-visits

- f. inspect audited accounts for the last three financial years
- g. undertake a credit check
- h. undertake a Police check for all named personnel

Released under the Official Information Act

SECTION 4: Pricing information

4.1 Pricing information to be provided by respondents

Respondents are to provide their price as part of their Proposal. In submitting the Price, the Respondent must meet the following:

- a. Respondents are to use the pricing schedule template provided.
- b. the price is to include all of the costs, fees, expenses and charges associated with the full delivery of the Requirements over the whole-of-life of the Contract. It must also clearly state the total Contract price exclusive of GST.
- c. in preparing their Proposal, Respondents are to consider all risks, contingencies and other circumstances relating to the delivery of the Requirements and include adequate provision in the Proposal and pricing information to manage such risks and contingencies.
- d. respondents are to document in their Proposal all assumptions and qualifications made about the delivery of the Requirements, including in the financial pricing information. Any assumption that the Buyer or a third party will incur any cost related to the delivery of the Requirements is to be stated, and the cost estimated if possible.
- e. prices should be tendered in NZ\$. Unless otherwise agreed, the Buyer will arrange contractual payments in NZ\$.
- f. The Respondent must submit a pricing schedule that conforms.

SECTION 5: Our Proposed Contract

5.1 Proposed Contract

The Proposed Contract will depend on the solution offered. We anticipate either:

- a. Development and agreement lease (for construction of a purpose-built facility); or
- b. Agreement to lease with appropriate further terms (for fit-out of existing premises).

In either case, the intention is to use the latest edition of the Auckland District Law Society's standard form of Agreement/Deed of lease amended as appropriate.

The Proposed contract will be issued separately as a Notice to Tenderers.

Released under the Official Information Act

SECTION 6: RFP Process, Terms and Conditions

Note to suppliers and Respondents

1. In managing this procurement the Buyer will endeavour to act fairly and reasonably in all of its dealings with interested suppliers and Respondents, and to follow due process which is open and transparent.
2. This section contains the government's standard RFP Process, Terms and Conditions (shortened to RFP-Terms) which apply to this procurement. Any variation to the RFP-Terms will be recorded in Section 1, [paragraph 1.6](#). Check to see if any changes have been made for this RFP.
3. Words and phrases that have a special meaning are shown by the use of capitals e.g. Respondent, which means '*a person, organisation, business or other entity that submits a Proposal in response to the RFP. The term Respondent includes its officers, employees, contractors, consultants, agents and representatives. The term Respondent differs from a supplier, which is any other business in the market place that does not submit a Proposal.*' [Definitions](#) are at the end of this section.
4. If you have any questions about the RFP-Terms please email our [Point of Contact](#).

Standard RFP process



Preparing and submitting a proposal

6.1 Preparing a Proposal

- a. Respondents are to use the Response Form provided and include all information requested by the Buyer in relation to the RFP.
- b. By submitting a Proposal the Respondent accepts that it is bound by the RFP Process, Terms and Conditions (RFP-Terms) contained in Section 6 (as varied by Section 1, paragraph 1.6, if applicable).
- c. Each Respondent will:
 - a. examine the RFP and any documents referenced in the RFP and any other information provided by the Buyer
 - b. consider all risks, contingencies and other circumstances relating to the delivery of the Requirements and include adequate provision in its Proposal to manage such risks and contingencies
 - c. document in its Proposal all assumptions and qualifications made about the delivery of the Requirements, including any assumption that the Buyer or a third party will deliver any aspect of the Requirements or incur any cost related to the delivery of the Requirements
 - d. ensure that pricing information is quoted in NZ\$ exclusive of GST
 - e. if appropriate, obtain independent advice before submitting a Proposal
 - f. satisfy itself as to the correctness and sufficiency of its Proposal, including the proposed pricing and the sustainability of the pricing.

- d. There is no expectation or obligation for Respondents to submit Proposals in response to the RFP solely to remain on any prequalified or registered supplier list. Any Respondent on such a list will not be penalised for failure to submit a Proposal.

6.2 Offer Validity Period

- i. Proposals are to remain valid and open for acceptance by the Buyer for the Offer Validity Period.

6.3 Respondents' Deadline for Questions

- i. Each Respondent should satisfy itself as to the interpretation of the RFP. If there is any perceived ambiguity or uncertainty in the RFP document/s Respondents should seek clarification before the Deadline for Questions.
- ii. All requests for clarification must be made by email to the Buyer's Point of Contact. The Buyer will endeavour to respond to requests in a timely manner, but not later than the deadline for the Buyer to answer Respondents' questions in Section 1, paragraph 1.2.a, if applicable.
- iii. If the Buyer considers a request to be of sufficient importance to all Respondents it may provide details of the question and answer to other Respondents. In doing so the Buyer may summarise the Respondent's question and will not disclose the Respondent's identity. The question and answer may be posted on GETS and/or emailed to participating Respondents. A Respondent may withdraw a request at any time.
- iv. In submitting a request for clarification a Respondent is to indicate, in its request, any information that is commercially sensitive. The Buyer will not publish such commercially sensitive information. However, the Buyer may modify a request to eliminate such commercially sensitive information, and publish this and the answer where the Buyer considers it of general significance to all Respondents. In this case, however, the Respondent will be given an opportunity to withdraw the request or remove the commercially sensitive information.

6.4 Submitting a Proposal

- a. Each Respondent is responsible for ensuring that its Proposal is received by the Buyer at the correct address on or before the Deadline for Proposals. The Buyer will acknowledge receipt of each Proposal.
- b. The Buyer intends to rely on the Respondent's Proposal and all information provided by the Respondent (e.g. correspondence and negotiations). In submitting a Proposal and communicating with the Buyer each Respondent should check that all information it provides to the Buyer is:
 - 6 true, accurate and complete, and not misleading in any material respect
 - 7 does not contain Intellectual Property that will breach a third party's rights.
- c. Where the Buyer requires the Proposal to be delivered in hard and soft copies, the Respondent is responsible for ensuring that both the hard and soft copies are identical.
- d. Where the Buyer stipulates a two envelope RFP process the following applies:
 - a. each Respondent must ensure that all financial information and pricing components of its Proposal are provided separately from the remainder of its Proposal
 - b. financial information and pricing must be contained either in a separate sealed envelope or as a separate soft copy file (whichever option has been requested by the Buyer)

- c. the pricing information must be clearly marked 'Financial and Pricing Information.' This is to ensure that the pricing information cannot be viewed when the package containing the other elements of the Proposal is opened.

Assessing Proposals

6.5 Evaluation panel

- a. The Buyer will convene an evaluation panel comprising members chosen for their relevant expertise and experience. In addition, the Buyer may invite independent advisors to evaluate any Proposal, or any aspect of any Proposal.

6.6 Third party information

- a. Each Respondent authorises the Buyer to collect additional information, except commercially sensitive pricing information, from any relevant third party (such as a referee or a previous or existing client) and to use that information as part of its evaluation of the Respondent's Proposal.
- b. Each Respondent is to ensure that all referees listed in support of its Proposal agree to provide a reference.
- c. To facilitate discussions between the Buyer and third parties each Respondent waives any confidentiality obligations that would otherwise apply to information held by a third party, with the exception of commercially sensitive pricing information.

6.7 Buyer's clarification

- a. The Buyer may, at any time, request from any Respondent clarification of its Proposal as well as additional information about any aspect of its Proposal. The Buyer is not required to request the same clarification or information from each Respondent.
- b. The Respondent must provide the clarification or additional information in the format requested. Respondents will endeavour to respond to requests in a timely manner. The Buyer may take such clarification or additional information into account in evaluating the Proposal.
- c. Where a Respondent fails to respond adequately or within a reasonable time to a request for clarification or additional information, the Buyer may cease evaluating the Respondent's Proposal and may eliminate the Proposal from the RFP process.

6.8 Evaluation and shortlisting

- i. The Buyer will base its initial evaluation on the Proposals submitted in response to the RFP. The Buyer may adjust its evaluation of a Proposal following consideration of any clarification or additional information as described in paragraphs 6.6 and 6.7.
- ii. In deciding which Respondent/s to shortlist the Buyer will take into account the results of the evaluations of each Proposal and the following additional information:
 - a. each Respondent's understanding of the Requirements, capability to fully deliver the Requirements and willingness to meet the terms and conditions of the Proposed Contract
 - b. except where the price is the only criterion, the best value-for-money over the whole-of-life of the goods or services.
- iii. In deciding which Respondent/s, to shortlist the Buyer may take into account any of the following additional information:
 - 1. the results from reference checks, site visits, product testing and any other due diligence

2. the ease of contracting with a Respondent based on that Respondent's feedback on the Proposed Contract (where these do not form part of the weighted criteria)
 3. any matter that materially impacts on the Buyer's trust and confidence in the Respondent
 4. any other relevant information that the Buyer may have in its possession.
- iv. The Buyer will advise Respondents if they have been shortlisted or not. Being shortlisted does not constitute acceptance by the Buyer of the Respondent's Proposal, or imply or create any obligation on the Buyer to enter into negotiations with, or award a Contract for delivery of the Requirements to any shortlisted Respondent/s. At this stage in the RFP process the Buyer will not make public the names of the shortlisted Respondents.

6.9 Negotiations

- a. The Buyer may invite a Respondent to enter into negotiations with a view to contract. Where the outcome is unsatisfactory the Buyer may discontinue negotiations with a Respondent and may then initiate negotiations with another Respondent.
- b. The Buyer may initiate concurrent negotiations with more than one Respondent. In concurrent negotiations the Buyer will treat each Respondent fairly, and:
 - i. prepare a negotiation plan for each negotiation.
 - ii. advise each Respondent, that it wishes to negotiate with, that concurrent negotiations will be carried out
 - iii. hold separate negotiation meetings with each Respondent.
- c. Each Respondent agrees that any legally binding contract entered into between the Successful Respondent and the Buyer will be essentially in the form set out in Section 5, the Proposed Contract.

6.10 Respondent's debrief

- a. At any time after shortlisting Respondents the Buyer will offer all Respondents who have not been shortlisted a debrief. Each Respondent will have 30 Business Days, from the date of offer, to request a debrief. When a Respondent requests a debrief, the Buyer will provide the debrief within 30 Business Days of the date of the request, or of the date the Contract is signed, whichever is later.
- b. The debrief may be provided by letter, email, phone or at a meeting. The debrief will:
 1. provide the reasons why the Proposal was or was not successful
 2. explain how the Proposal performed against the pre-conditions (if applicable) and the evaluation criteria
 3. indicate the Proposal's relative strengths and weaknesses
 4. explain, in general terms, the relative advantage/s of the successful Proposal
 5. seek to address any concerns or questions from the Respondent
 6. seek feedback from the Respondent on the RFP and the RFP process.

6.11 Notification of outcome

- a. At any point after conclusion of negotiations, but no later than 30 Business Days after the date the Contract is signed, the Buyer will inform all unsuccessful Respondents of the name of the Successful Respondent, if any. The Buyer may make public the name of the Successful Respondent and any unsuccessful Respondent. Where applicable, the Buyer will publish a Contract Award Notice on GETS.

6.12 Issues and complaints

- a. A Respondent may, in good faith, raise with the Buyer any issue or complaint about the RFP, or the RFP process at any time.
- b. The Buyer will consider and respond promptly and impartially to the Respondent's issue or complaint.
- c. Both the Buyer and Respondent agree to act in good faith and use their best endeavours to resolve any issue or complaint that may arise in relation to the RFP.
- d. The fact that a Respondent has raised an issue or complaint is not to be used by the Buyer to unfairly prejudice the Respondent's ongoing participation in the RFP process or future contract opportunities.



Standard RFP conditions

6.13 Buyer's Point of Contact

- a. All enquiries regarding the RFP must be directed by email to the Buyer's Point of Contact. Respondents must not directly or indirectly approach any representative of the Buyer, or any other person, to solicit information concerning any aspect of the RFP.
- b. Only the Point of Contact, and any authorised person of the Buyer, are authorised to communicate with Respondents regarding any aspect of the RFP. The Buyer will not be bound by any statement made by any other person.
- c. The Buyer may change the Point of Contact at any time. The Buyer will notify Respondents of any such change. This notification may be posted on GETS or sent by email.
- d. Where a Respondent has an existing contract with the Buyer then business as usual communications, for the purpose of managing delivery of that contract, will continue using the usual contacts. Respondents must not use business as usual contacts to lobby the Buyer, solicit information or discuss aspects of the RFP.



6.14 Conflict of Interest

- a. Each Respondent must complete the Conflict of Interest declaration in the Response Form and must immediately inform the Buyer should a Conflict of Interest arise during the RFP process. A material Conflict of Interest may result in the Respondent being disqualified from participating further in the RFP.



6.15 Ethics

- a. Respondents must not attempt to influence or provide any form of personal inducement, reward or benefit to any representative of the Buyer in relation to the RFP.
- b. A Respondent who attempts to do anything prohibited by paragraphs 6.13.a. and d. and 6.15.a. may be disqualified from participating further in the RFP process.
- c. The Buyer reserves the right to require additional declarations, or other evidence from a Respondent, or any other person, throughout the RFP process to ensure probity of the RFP process.



6.16 Anti-collusion and bid rigging

- a. Respondents must not engage in collusive, deceptive or improper conduct in the preparation of their Proposals or other submissions or in any discussions or negotiations with the Buyer. Such behaviour will result in the Respondent being disqualified from participating further in the RFP process. In submitting a Proposal the Respondent warrants that its Proposal has not been prepared in collusion with a Competitor.
- b. The Buyer reserves the right, at its discretion, to report suspected collusive or anti-competitive conduct by Respondents to the appropriate authority and to give that authority all relevant information including a Respondent's Proposal.

6.17 Confidential Information

- a. The Buyer and Respondent will each take reasonable steps to protect Confidential Information and, subject to paragraph 6.17.c. and without limiting any confidentiality undertaking agreed between them, will not disclose Confidential Information to a third party without the other's prior written consent.
- b. The Buyer and Respondent may each disclose Confidential Information to any person who is directly involved in the RFP process on its behalf, such as officers, employees, consultants, contractors, professional advisors, evaluation panel members, partners, principals or directors, but only for the purpose of participating in the RFP.
- c. Respondents acknowledge that the Buyer's obligations under paragraph 6.17.a. are subject to requirements imposed by the Official Information Act 1982 (OIA), the Privacy Act 1993, parliamentary and constitutional convention and any other obligations imposed by law. The Buyer will not be in breach of its obligations if Confidential Information is disclosed by the Buyer to the appropriate authority because of suspected collusive or anti-competitive tendering behaviour. Where the Buyer receives an OIA request that relates to a Respondent's Confidential Information the Buyer will consult with the Respondent and may ask the Respondent to explain why the information is considered by the Respondent to be confidential or commercially sensitive.

6.18 Confidentiality of RFP information

- c. For the duration of the RFP, to the date of the announcement of the Successful Respondent, or the end of the RFP process, the Respondent agrees to keep the RFP strictly confidential and not make any public statement to any third party in relation to any aspect of the RFP, the RFP process or the award of any Contract without the Buyer's prior written consent.
- d. A Respondent may disclose RFP information to any person described in paragraph 6.17.b. but only for the purpose of participating in the RFP. The Respondent must take reasonable steps to ensure that such recipients do not disclose Confidential Information to any other person or use Confidential Information for any purpose other than responding to the RFP.

6.19 Costs of participating in the RFP process

- a. Each Respondent will meet its own costs associated with the preparation and presentation of its Proposal and any negotiations.

6.20 Ownership of documents

- a. The RFP and its contents remain the property of the Buyer. All Intellectual Property rights in the RFP remain the property of the Buyer or its licensors. The Buyer may request the immediate return or destruction of any or all RFP documents and any copies. Respondents must comply with any such request in a timely manner.
- b. All documents forming the Proposal will, when delivered to the Buyer, become the property of the Buyer. Proposals will not be returned to Respondents at the end of the RFP process.
- c. Ownership of Intellectual Property rights in the Proposal remain the property of the Respondent or its licensors. However, the Respondent grants to the Buyer a non-exclusive, non-transferable, perpetual licence to retain, use, copy and disclose information contained in the Proposal for any purpose related to the RFP process.

6.21 No binding legal relations

- i. Neither the RFP, nor the RFP process, creates a process contract or any legal relationship between the Buyer and any Respondent, except in respect of:
 - i. the Respondent's declaration in its Proposal



- ii. the Offer Validity Period
 - iii. the Respondent's statements, representations and/or warranties in its Proposal and in its correspondence and negotiations with the Buyer
 - iv. the Evaluation Approach to be used by the Buyer to assess Proposals as set out in Section 3 and in the RFP-Terms (as varied by Section 1, paragraph 1.6, if applicable)
 - v. the standard RFP conditions set out in paragraphs 6.13 to 6.26
 - vi. any other matters expressly described as binding obligations in Section 1, paragraph 1.6.
- ii. Each exception in paragraph 6.21.a. is subject only to the Buyer's reserved rights in paragraph 6.23.
 - iii. Except for the legal obligations set out in paragraph 6.21.a. no legal relationship is formed between the Buyer and any Respondent unless and until a Contract is entered into between those parties.

6.22 Elimination

- 3 The Buyer may exclude a Respondent from participating in the RFP if the Buyer has evidence of any of the following, and is considered by the Buyer to be material to the RFP:
 - a. the Respondent has failed to provide all information requested, or in the correct format, or materially breached a term or condition of the RFP
 - b. the Proposal contains a material error, omission or inaccuracy
 - c. the Respondent is in bankruptcy, receivership or liquidation
 - d. the Respondent has made a false declaration
 - e. there is a serious performance issue in a historic or current contract delivered by the Respondent
 - f. the Respondent has been convicted of a serious crime or offence
 - g. there is professional misconduct or an act or omission on the part of the Respondent which adversely reflects on the integrity of the Respondent
 - h. the Respondent has failed to pay taxes, duties or other levies
 - i. the Respondent represents a threat to national security or the confidentiality of sensitive government information
 - j. the Respondent is a person or organisation designated as a terrorist by New Zealand Police.

6.23 Buyer's additional rights

- i. Despite any other provision in the RFP the Buyer may, on giving due notice to Respondents:
 - 1. amend, suspend, cancel and/or re-issue the RFP, or any part of the RFP
 - 2. make any material change to the RFP (including any change to the timeline, Requirements or Evaluation Approach) on the condition that Respondents are given a reasonable time within which to respond to the change.
- ii. Despite any other provision in the RFP the Buyer may:
 - 3. accept a late Proposal if it is the Buyer's fault that it is received late
 - 4. in exceptional circumstances, accept a late Proposal where it considers that there is no material prejudice to other Respondents. The Buyer will not accept a late Proposal if it considers that there is risk of collusion on the part of a Respondent, or the Respondent may have knowledge of the content of any other Proposal

5. in exceptional circumstances, answer a question submitted after the Deadline for Questions, if applicable
 6. accept or reject any Proposal, or part of a Proposal
 7. accept or reject any non-compliant, non-conforming or alternative Proposal
 8. decide not to accept the lowest priced conforming Proposal unless this is stated as the Evaluation Approach
 9. decide not to enter into a Contract with any Respondent
 10. liaise or negotiate with any Respondent without disclosing this to, or doing the same with, any other Respondent
 11. provide or withhold from any Respondent information in relation to any question arising in relation to the RFP. Information will usually only be withheld if it is deemed unnecessary, is commercially sensitive to a Respondent, is inappropriate to supply at the time of the request or cannot be released for legal reasons
 12. amend the Proposed Contract at any time, including during negotiations with a shortlisted Respondent
 13. waive irregularities or requirements in or during the RFP process where it considers it appropriate and reasonable to do so.
- iii. The Buyer may request that a Respondent/s agrees to the Buyer:
- i. selecting any individual element/s of the Requirements that is offered in a Proposal and capable of being delivered separately unless the Proposal specifically states that the Proposal, or elements of the Proposal, are to be taken collectively
 - ii. selecting two or more Respondents to deliver the Requirements as a joint venture or consortium.

6.24 New Zealand law

- i. The laws of New Zealand shall govern the RFP and each Respondent agrees to submit to the exclusive jurisdiction of the New Zealand courts in respect of any dispute concerning the RFP or the RFP process.

6.25 Disclaimer

- a. The Buyer will not be liable in contract, tort, equity, or in any other way whatsoever for any direct or indirect damage, loss or cost incurred by any Respondent or any other person in respect of the RFP process.
- b. Nothing contained or implied in the RFP, or RFP process, or any other communication by the Buyer to any Respondent shall be construed as legal, financial or other advice. The Buyer has endeavoured to ensure the integrity of such information. However, it has not been independently verified and may not be updated.
- c. To the extent that liability cannot be excluded, the maximum aggregate liability of the Buyer, its agents and advisors is \$1.

6.26 Precedence

- Any conflict or inconsistency in the RFP shall be resolved by giving precedence in the following descending order:
 - c. Section 1, paragraph 1.6
 - d. Section 6 (RFP-Terms)
 - e. all other Sections of this RFP document
 - f. any additional information or document provided by the Buyer to Respondents through the Buyer's Point of Contact or GETS.

- If there is any conflict or inconsistency between information or documents having the same level of precedence the later information or document will prevail.

Definitions

In relation to the RFP the following words and expressions have the meanings described below.

Advance Notice	A notice published by the buyer on GETS in advance of publishing the RFP. An Advance Notice alerts the market to a contract opportunity. Where used, an Advance Notice forms part of the RFP.
Business Day	Any week day in New Zealand, excluding Saturdays, Sundays, New Zealand (national) public holidays and all days from Boxing Day up to and including the day after New Year's Day.
Buyer	The Buyer is the government agency that has issued the RFP with the intent of purchasing the goods or services described in the Requirements. The term Buyer includes its officers, employees, contractors, consultants, agents and representatives.
Competitors	Any other business that is in competition with a Respondent either in relation to the goods or services sought under the RFP or in general.
Confidential Information	<p>Information that:</p> <ol style="list-style-type: none"> is by its nature confidential is marked by either the Buyer or a Respondent as 'confidential', 'commercially sensitive', 'sensitive', 'in confidence', 'top secret', 'secret', 'classified' and/or 'restricted' is provided by the Buyer, a Respondent, or a third party in confidence the Buyer or a Respondent knows, or ought to know, is confidential. <p>Confidential information does not cover information that is in the public domain through no fault of either the Buyer or a Respondent.</p>
Conflict of Interest	<p>A Conflict of Interest arises if a Respondent's personal or business interests or obligations do, could, or be perceived to, conflict with its obligations to the Buyer under the RFP or in the provision of the goods or services. It means that the Respondent's independence, objectivity or impartiality can be called into question. A Conflict of Interest may be:</p> <ol style="list-style-type: none"> actual: where the conflict currently exists potential: where the conflict is about to happen or could happen, or perceived: where other people may reasonably think that a person is compromised.
Contract	The written Contract/s entered into by the Buyer and Successful Respondent/s for the delivery of the Requirements.
Contract Award Notice	Government Rules of Sourcing, Rule 45 requires a Buyer to publish a Contract Award Notice on GETS when it has awarded a contract that is subject to the Rules.

Deadline for Proposals	The deadline that Proposals are to be delivered or submitted to the Buyer as stated in Section 1, paragraph 1.2.
Deadline for Questions	The deadline for suppliers to submit questions to the Buyer as stated in Section 1, paragraph 1.2, if applicable.
Evaluation Approach	The approach used by the Buyer to evaluate Proposals as described in Section 3 and in Section 6 (as varied by Section 1, paragraph 1.6, if applicable).
GETS	Government Electronic Tenders Service available at www.gets.govt.nz
GST	The goods and services tax payable in accordance with the New Zealand Goods and Services Tax Act 1985.
Intellectual Property	All intellectual property rights and interests, including copyright, trademarks, designs, patents and other proprietary rights, recognised or protected by law.
Offer Validity Period	The period of time when a Proposal (offer) is held open by the Respondent for acceptance by the Buyer as stated in Section 1, paragraph 1.6.
Point of Contact	The Buyer and each Respondent are required to appoint a Point of Contact. This is the channel to be used for all communications during the RFP process. The Buyer's Point of Contact is identified in Section 1, paragraph 1.3. The Respondent's Point of Contact is identified in its Proposal.
Price	The total amount, including all costs, fees, expenses and charges, to be charged by the Successful Respondent for the full delivery of the Requirements. Each Respondent's Proposal must include its Price.
Proposal	The response a Respondent submits in reply to the RFP. It comprises the Response Form, the Respondent's bid, financial and pricing information and all other information submitted by a Respondent.
Proposed Contract	The Contract terms and conditions proposed by the Buyer for the delivery of the Requirements as described in Section 5.
RFP	Means the Request for Proposal.
Registration of Interest	A formal request by a Buyer asking potential suppliers to register their interest in a procurement. It is the first step in a multi-step tender process.
Request for Proposal (RFP)	The RFP comprises the Advance Notice (where used), the Registration of Interest (where used), this RFP document (including the RFP-Terms) and any other schedule, appendix or document attached to this RFP, and any subsequent information provided by the Buyer to Respondents through the Buyer's Point of Contact or GETS.
RFP-Terms	Means the Request for Proposal - Process, Terms and Conditions as described in Section 6.
RFP Process, Terms and Conditions (shortened to RFP-Terms)	The government's standard process, terms and conditions that apply to RFPs as described in Section 6. These may be varied at the time of the release of the RFP by the Buyer in Section 1, paragraph 1.6. These may be varied subsequent to the release of the RFP by the Buyer on giving notice to Respondents.
Requirements	The goods and/or services described in Section 2 which the Buyer intends to purchase.

Respondent	A person, organisation, business or other entity that submits a Proposal in response to the RFP. The term Respondent includes its officers, employees, contractors, consultants, agents and representatives. The term Respondent differs from a supplier, which is any other business in the market place that does not submit a Proposal.
Response Form	The form and declaration prescribed by the Buyer and used by a Respondent to respond to the RFP, duly completed and submitted by a Respondent as part of the Proposal.
Successful Respondent	Following the evaluation of Proposals and successful negotiations, the Respondent/s who is awarded a Contract/s to deliver all or part of the Requirements.

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TO: Chair and Members, Quality, Finance, Audit and Risk Committee

PREPARED BY: Jo Abbott, Project Specialist, Planning & Funding

APPROVED BY: Carolyn Gullery, Executive Director, Planning Funding & Decision Support

DATE: 02 June 2020

Report Status – For: Decision ☐ Noting ☒ Information ☐

1. ORIGIN OF THE REPORT

As a result of the National Bowel Screening Programme (NBSP) and population growth, a process is underway to evaluate the options for service delivery in Endoscopy and Maternity.

2. RECOMMENDATION

That the Committee:

- i. notes the Central City Clinic Space Update report.

3. SUMMARY

This paper informs QFARC of the proposed timeline of activity for progressing the identification of additional clinical capacity in the central city. This process anticipates future QFARC consideration of outcomes of the next stage, timetable for QFARC consideration in August 2020. This RFP tests the feasibility of a facility that would house DHB-run endoscopy and potentially primary birthing services. The business case for this facility, including alternative options for service delivery, will be brought to QFARC for review following the RFP process.

4. DISCUSSION

The NBSP is due to be rolled out in Canterbury from August 2020, although this may be further pushed back due to the COVID-19 outbreak. The implementation of the NBSP means that additional capacity is required in endoscopy, noting that there is also currently a large wait-list. The finalisation of the Campus Masterplan confirmed that there would not be new capacity on the campus before 2025. The clinical preference is to provide the service through a split site/single service option as that would ensure consistent practice and clinical governance. The Ministry of Health (MoH) requires that all screening programme-related colonoscopies are delivered on DHB run premises. It is likely that the distancing and infection control requirements of COVID 19 will reduce the throughput of our existing facilities. The business case will assess costs and benefits of these options and standard out-sourcing.

Currently, around 82% of women give birth in Christchurch Women's Hospital. This is placing this facility under immense pressure and reducing its capacity to deal with more complex births. Births are projected to increase by around 5.5% from 6,441 births in 2017 to around 6,800 total births per year by the 2028 calendar year. When the facility was built the assumption was made that Canterbury births would not exceed 5500. Work to increase the proportion of women birthing in primary units has been underway since 2010 and continues to be a high priority.

The Board resolved in December 2017 that provision of fit-for-purpose primary birthing facilities in both central Christchurch and surrounding districts should be addressed as a matter of urgency. A new Canterbury Maternity System – Strategic Framework (2019-2024) has recently been

endorsed and continues the emphasis on 'right service, right place, right time'. Again, additional primary birthing capacity would support the service to manage the operational impacts of more stringent infection control.

In addition, Pasifika Futures have expressed an interest in co-locating with Canterbury DHB services as they are reaching/over-capacity in their current site.

To work towards finding appropriate space for these services, a registration of interest (ROI) was undertaken in late 2019. Eight of the responses were evaluated as being able to meet our requirements. A closed RFP is now being undertaken with these respondents, closing in early July. Endoscopy space is the most urgent requirement and the only 'must have'. Once the responses have been evaluated, a business case will be finalised, together with recommended options, will be brought for QFARC consideration, expected to be at the 4 August QFARC meeting. Depending on the response from QFARC, the proposal would then be taken to the Canterbury DHB Board before progressing any procurement process.

5. **CONCLUSION**

The COVID-19 outbreak has delayed the implementation of the NBSP but made the identification of additional capacity for endoscopy and maternity in the central city more urgent. A process to progress this work is underway and the next step is to undertake an RFP process, the outcome of which will be brought for QFARC consideration, expected to be in August 2020.

Canterbury

District Health Board

Te Poari Hauora Ō Waitaha

Call for Registrations of Interest

Christchurch Central City Health Facility/Facilities

PF1906

ROI released: 4/11/2019

Briefing Session: 11am, 18/11/2019

Deadline for Questions: 21/11/2019

Deadline for Registrations: 12.30pm, 2/12/2019

Canterbury District Health Board
32 Oxford Terrace
CHRISTCHURCH

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This opportunity in a nutshell

What we need

The Canterbury population is growing, ageing and becoming more diverse. As a result of this, and because the National Bowel Screening programme is about to be rolled out in Canterbury, we are seeking additional health facility space in central Christchurch.

We need facilities capacity in Endoscopy and are considering further capacity in Primary Birthing. We are also aware that there are other health providers that are interested in co-locating with these services.

Ideally, we are looking for one site; although the services could be housed together in one building or in separate buildings. Any site must be able to be used for the intended purpose, operate 24 hours a day and seven days a week and must be easily accessible by public and private transport. The facility or facilities must have spaces that are fit for purpose, flexible and deliver a good patient experience. Our most immediate pressure is related to space for endoscopy services and as such, we will also accept registrations of interest from Respondents wishing to deliver a facility able to accommodate the endoscopy service alone.

The Canterbury DHB invites any party who could build and lease (in the case of a new build) or lease (in the case of an existing build) such a facility or facilities to register their interest. We would design the specialist fit out and are open to registrations that would either deliver just the building(s) shell(s) for us to fit out or that would implement our required fit-out for us.

What we don't want

Canterbury DHB will operate the endoscopy and primary birthing units so we are not looking for proposals to provide services on our behalf. The facility or facilities must be located in central Christchurch (see section 3 for details).

What's important to us

We are looking for a location with easy access to Christchurch Hospital campus as well as being easily accessible for patients and staff. The facility or facilities must be flexible and fit for purpose ("long life loose fit") and be able to be operated 24 hours a day, seven days a week.

Why should you bid?

This is an opportunity to partner with the Canterbury DHB in delivering integrated local health services. This is a long term lease opportunity with a stable tenant with a strong track record of taking good care of leased facilities.

A bit about us

The Canterbury DHB is a Crown entity responsible to the Minister of Health for funding and provision of public health and disability services for the population of Canterbury. Our vision is for an integrated health system that keeps people healthy and well in their own homes by providing the right care and support, to the right person, at the right time and place. We work closely with a variety of partners in Canterbury, across the South Island and nationally to realise this vision.

SECTION 1: Key information



1.1 Context

- a. This is an invitation to suitably qualified suppliers to submit a Registration for the Christchurch Central City Health Facility/Facilities contract opportunity.
- b. This ROI is the first step in a multi-step procurement process. Following evaluation shortlisted Respondent/s will be invited to submit a full proposal in response to a Request for Proposals (RFP). This document deals only with the first step i.e. the ROI process.
- c. Words and phrases that have a special meaning are shown by the use of capitals e.g. Respondent, which means *'a person, organisation, business or other entity that submits a Registration in response to the ROI. The term Respondent includes its officers, employees, contractors, consultants, agents and representatives. The term Respondent differs from a supplier, which is any other business in the market place that does not submit a Registration.'* Definitions are at the end of [Section 4](#).



1.2 Our timeline

- a. Here is our timeline for this ROI.

Step in ROI process:

Date:

Briefing Session will be held if there is interest

(Please notify your interest by 11/11/2019 via GETS) 11am, 18/11/2019

Deadline for Questions from suppliers: 21/11/2019

Deadline for the Buyer to answer Supplier's questions: 25/11/2019

Deadline for Registrations: 12.30pm, 2/12/2019

- b. All dates and times are dates and times in New Zealand.



1.3 How to contact us

All enquiries must be directed through the Government Electronic Tenders Service (GETS) at www.gets.govt.nz.



1.4 Developing and submitting your Registration

- a. This is an open, competitive tender process. The ROI sets out the step-by-step process and conditions that apply.
- b. Take time to read and understand the ROI. In particular:
 - i. develop a strong understanding of our Requirements detailed in [Section 2](#).
 - ii. in structuring your Registration consider how it will be evaluated. [Section 3](#) describes our Evaluation Approach.
- c. For helpful hints on tendering and access to a supplier resource centre go to: www.procurement.govt.nz / for suppliers.
- d. If anything is unclear or you have a question, ask us to explain. Please do so before the Deadline for Questions. Email our [Point of Contact](#).
- e. In submitting your Registration you must use the Response Form provided on [GETS](#). This is a Microsoft Word document that you can download.
- f. You must also complete and sign the declaration at the end of the Response Form.
- g. Check you have provided all information requested, and in the format and order asked for.
- h. Having done the work don't be late – please ensure you get your Registration to us before the Deadline for Registration!



1.5 Address for submitting your Registration

Responses must be submitted electronically via GETS.



1.6 Our ROI Process, Terms and Conditions

- a. The ROIs is subject to the government's standard ROI Process, Terms and Conditions (shortened to ROI-Terms) described in Section 4. We have not made any variation to the ROI-Terms.
-



1.7 Later changes to the ROI or ROI process

- a. If, after publishing the ROIs, we need to change anything about the ROIs, or ROI process, or want to provide suppliers with additional information we will let all suppliers know by placing a notice on the Government Electronic Tenders Service (GETS) at www.gets.govt.nz.
 - b. If you downloaded the ROI from GETS you will automatically be sent notifications of any changes through GETS by email.
-

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SECTION 2: Our Requirements

2.1 Background

This procurement relates to the delivery of services in Endoscopy and Primary Birthing. Other healthcare providers have also expressed an interest in co-locating with these DHB services.

Endoscopy: With the imminent rollout of the National Bowel Screening Programme in Canterbury, Canterbury DHB needs to increase overall endoscopy capacity. We are looking to work with Respondents to build or lease endoscopy suites plus supporting space in which we can operate our endoscopy services.

Primary birthing: Over the last 12-18 months we have been re-evaluating how we deliver maternity services. Underpinning this approach is a need to redirect service flow away from the tertiary maternity facility and provide greater opportunities for healthy women to birth in their own communities when clinically appropriate. To support this, we want to work with Respondents to identify opportunities to develop a central city primary birthing unit.

2.2 What we are buying and why

We want to lease a building or buildings, either already existing, or purpose built. We are open to interest from Respondents to build or lease clinic space for the services singly or in combination, but ideally want the services housed on the same site. We are looking for a respondent to develop and/or lease us the shell, and potentially partner with us in delivering a fit out to our specifications. The facility must be flexible so that we can accommodate these services as they grow.

The building(s) must be suitable for clinical use, including wheelchair and ambulance access and with medical gases able to be piped through. Multi-storey buildings must have lift access, and the lift must be large enough to accommodate a bed being transported and the building(s) must be accessible as defined in statute(s).

The site must be centrally located – ideally within the four avenues (Fitzgerald, Moorhouse, Deans/Harper and Bealey), but should not be further than one km outside this area. The site must be capable of being used for our proposed use (zoning/consents). The building(s) must have space for parking for staff, patients and their families and whānau and be close (within 0.25km) to bus stops for one or more high-frequency routes (every 15 mins during the day), particularly those servicing the northern/eastern suburbs.

1. Endoscopy:

Endoscopy capacity is our most immediate need. For endoscopy we require a facility which can accommodate 2-3 procedure rooms immediately and with space for a total of four procedure rooms within 3 years of opening. This translates to approximately 25-50 patients per day and around 500-750 sessions per year initially, with capacity to increase to 1000 sessions per year. In addition to the procedure rooms, we require a reprocessing area, an admitting and recovery area and associated ancillary space such as administration areas, toilets and interview rooms. Based on similar facilities, this would likely mean a minimum floor space of around 650m².

2. Primary Birthing:

We are also interested in exploring opportunities for a facility which can accommodate approximately 800-1000 births per year initially, increasing to 1200 within 3 years of opening.

As a guide, this would equate to a minimum of around 15 individual rooms (ideally all with en-suites), including a minimum of 3 birthing rooms initially, with the capacity to grow to around 25 patient rooms (of which 4 would be designated birthing rooms). Birthing suites are approximately 50m² and standard rooms 24m² in modern primary birthing facilities. All birthing suites plus the overflow birthing rooms would need to be sound-proofed. This service will also require space for a small commercial kitchen and other ancillary spaces. Based on recent primary birthing developments, this indicates a minimum floor space of around 800m².

Depending on the combination and layout of services housed, the following may be able to be shared:

- *reception area(s),*
- *whānau rooms,*
- *waiting areas,*
- *meeting rooms,*
- *clinic and office spaces,*
- *staff tea room/kitchen,*
- *secure bicycle parking,*
- *public and staff toilets and showers,*
- *storage.*

Other notes:

Any buildings must be designed in accordance with all Building Act requirements and best industry practice, including the Australasia Health Facility guidelines. The facility(s) must be able to have medical gases piped through, good Wi-Fi throughout and covered access from an entryway able to accommodate ambulances.

Any fit out of the Endoscopy facility space must meet the requirements of the Australasian Facility Standards: Endoscopy Governance Group New Zealand Standards.

We are aware of interest from other health providers in co-locating with the above so are also interested in hearing from Respondents able to accommodate additional services. This is anticipated to require around 450m² of clinic and supporting space and an additional 15-20 car parking spaces.

Our most immediate pressure is related to space for endoscopy services and as such, we will accept registrations of interest from Respondents wishing to deliver a facility able to accommodate the endoscopy service alone.

2.3 Contract term

Contract commencement date would depend on whether there is an existing facility or a build required. The anticipated initial term of the lease is 10 years minimum with rights of renewal.

We anticipate the parties entering into a lease on the latest edition of the Auckland District Law Society standard form Deed of Lease.

Potentially interested parties should note that the DHB may require the approval of the Minister of Health before executing final documentation.

2.4 Key outcomes

The following are our indicative delivery milestones:

Description	Indicative date for delivery
If building is already existing - available for fit out by mid-2020	30/06/2020
If new building – available for fit out by end of 2020 (negotiable)	31/12/2020

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SECTION 3: Our Evaluation Approach

This section sets out the Evaluation Approach that will be used to assess Registrations.

3.1 Evaluation model

The evaluation model that will be used to shortlist Respondents is a weighted scoring model.

3.2 Pre-conditions

There are no pre-conditions.

3.3 Evaluation criteria

Registrations will be evaluated on their merits according to the following evaluation criteria and weightings.

Criterion	Weighting
1. Location: Facility is able to be used for the intended purpose, central Christchurch location with easy access to Christchurch Hospital, on-site parking for staff and patients. Quick access to high frequency bus routes, particularly those serving the northern/eastern suburbs will also be beneficial.	30%
2. Capability and capacity: Capability and capacity, including financial resources, for the Respondent and their contractors to deliver the facility.	20%
3. Fit for Purpose(s): Proposal capable of meeting our facility and fit-out requirements/specifications, including those set out in this ROI.	30%
4. Patient and staff experience: Facility and location that delivers good patient/staff experience e.g., access to outdoor space	15%
5. Timeliness: Availability of the facility(s) for tenant fit-out within the DHB's required timeframes as set out in section 2.4	5%
Total weightings	100%

If Respondents are also able to give an indicative rental range, please include in the response. This will not form part of the evaluation but may be useful for us in terms of determining our project budget.

3.4 Scoring

The following scoring scale will be used in evaluating Registrations. Scores by individual panel members may be modified through a moderation process across the whole evaluation panel.

Rating	Definition	Score
EXCELLENT significantly exceeds the criterion	Exceeds the criterion. Exceptional demonstration by the Respondent of the relevant ability, understanding, experience, skills, resource and quality measures required to meet the criterion. The Registration identifies factors that will offer potential added value, with supporting evidence.	9-10
GOOD exceeds the criterion in some aspects	Satisfies the criterion with minor additional benefits. Above average demonstration by the Respondent of the relevant ability, understanding, experience, skills, resource and quality measures required to meet the criterion. The Registration identifies factors that will offer potential added value, with supporting evidence.	7-8
ACCEPTABLE meets the criterion in full, but at a minimal level	Satisfies the criterion. Demonstration by the Respondent of the relevant ability, understanding, experience, skills, resource, and quality measures required to meet the criterion, with supporting evidence.	5-6
MINOR RESERVATIONS marginally deficient	Satisfies the criterion with minor reservations. Some minor reservations of the Respondent's relevant ability, understanding, experience, skills, resource and quality measures required to meet the criterion, with little or no supporting evidence.	3-4
SERIOUS RESERVATIONS significant issues that need to be addressed	Satisfies the criterion with major reservations. Considerable reservations of the respondent's relevant ability, understanding, experience, skills, resource and quality measures required to meet the criterion, with little or no supporting evidence.	1-2
UNACCEPTABLE significant issues not capable of being resolved	Does not meet the criterion. Does not comply and/or insufficient information provided to demonstrate that the Respondent has the ability, understanding, experience, skills, resource and quality measures required to meet the criterion, with little or no supporting evidence.	0

SECTION 4: ROI Process, Terms and Conditions

Note to suppliers and Respondents

1. In managing this procurement the Buyer will endeavour to act fairly and reasonably in all of its dealings with interested suppliers and Respondents, and to follow due process which is open and transparent.
2. This section contains the government's standard ROI Process, Terms and Conditions (shortened to ROI-Terms) which apply to this procurement. Any variation to the ROI-Terms will be recorded in Section 1, [paragraph 1.6](#). Check to see if any changes have been made for this ROI.
3. Words and phrases that have a special meaning are shown by the use of capitals e.g. Respondent, which means '*a person, organisation, business or other entity that submits a Registration in response to the ROI. The term Respondent includes its officers, employees, contractors, consultants, agents and representatives. The term Respondent differs from a supplier, which is any other business in the market place that does not submit a Registration.*' [Definitions](#) are at the end of this section.
4. If you have any questions about the ROI-Terms please get in touch with our [Point of Contact](#).

Standard ROI process



Preparing and submitting a Registration

1. Preparing a Registration

1. Respondents are to use the Response Form provided and include all information requested by the Buyer in relation to the ROI.
2. By submitting a Registration the Respondent accepts that it is bound by the ROI Process, Terms and Conditions (ROI-Terms) contained in Section 4 (as varied by Section 1, paragraph 1.6, if applicable).
3. Each Respondent will:
 1. examine the ROI and any documents referenced in the ROI and any other information provided by the Buyer
 2. if appropriate, obtain independent advice before submitting a Registration
 3. satisfy itself as to the correctness and sufficiency of its Registration.
4. There is no expectation or obligation for Respondents to submit Registrations in response to the ROI solely to remain on any prequalified or registered supplier list. Any Respondent on such a list will not be penalised for failure to submit a Registration.

1. Respondents' Deadline for Questions

1. Each Respondent should satisfy itself as to the interpretation of the ROI. If there is any perceived ambiguity or uncertainty in the ROI document/s Respondents should seek clarification before the Deadline for Questions.
2. All requests for clarification must be made by email to the Buyer's Point of Contact. The Buyer will respond to requests in a timely manner, but not later than the deadline for the Buyer to answer Respondent questions in Section 1, paragraph 1.2.a, if applicable.
3. If the Buyer considers a request to be of sufficient importance to all Respondents it may provide details of the question and answer to other Respondents. In doing so the Buyer may summarise the Respondent's question and will not disclose the Respondent's



identity. The question and answer may be posted on GETS and/or emailed to participating Respondents. A Respondent may withdraw a request at any time.

4. In submitting a request for clarification a Respondent is to indicate, in its request, any information that is commercially sensitive. The Buyer will not publish such commercially sensitive information. However, the Buyer may modify a request to eliminate such commercially sensitive information, and publish this and the answer where the Buyer considers it of general significance to all Respondents. In this case, however, the Respondent will be given an opportunity to withdraw the request or remove the commercially sensitive information.

1. Submitting a Registration

1. Each Respondent is responsible for ensuring that its Registration is received by the Buyer at the correct address on or before the Deadline for Registrations. The Buyer will acknowledge receipt of each Registration.
2. The Buyer intends to rely on the Respondent's Registration and all information provided by the Respondent (e.g. in correspondence). In submitting a Registration and communicating with the Buyer each Respondent should check that all information it provides to the Buyer is:
 1. true, accurate and complete and not misleading in any material respect
 2. does not contain intellectual property that will breach a third party's rights.
3. Where the Buyer requires the Registration to be delivered in hard and soft copies, the Respondent is responsible for ensuring that both the hard and soft copies are identical.

Assessing Registrations

1. Evaluation panel

1. The Buyer will convene an evaluation panel comprising members chosen for their relevant expertise and experience. In addition, the Buyer may invite independent advisors to evaluate any Registration, or any aspect of any Registration.

2. Third party information

1. Each Respondent authorises the Buyer to collect additional information, except commercially sensitive pricing information, from any relevant third party (such as a referee or a previous or existing client) and to use that information as part of its evaluation of the Respondent's Registration.
2. Each Respondent is to ensure that all referees listed in support of its Registration agree to provide a reference.
3. To facilitate discussions between the Buyer and third parties each Respondent waives any confidentiality obligations that would otherwise apply to information held by a third party, with the exception of commercially sensitive pricing information.

3. Buyer's clarification

1. The Buyer may, at any time, request from any Respondent clarification of its Registration as well as additional information about any aspect of its Registration. The Buyer is not required to request the same clarification or information from each Respondent.
2. The Respondent must provide the clarification or additional information in the format requested. Respondents will endeavour to respond to requests in a timely manner. The Buyer may take such clarification or additional information into account in evaluating the Registration.
3. Where a Respondent fails to respond adequately or within a reasonable time to a request for clarification or additional information, the Buyer may cease evaluating the Registration and may eliminate the Registration from the process.

4. Evaluation and shortlisting

1. The Buyer will base its initial evaluation on the Registrations submitted in response to the invitation. This evaluation will be in accordance with the Evaluation Approach set out in

the ROI. The Buyer may adjust its evaluation of a Registration following consideration of any clarification or additional information as described in paragraphs 4.6 and 4.7.

2. In deciding which Respondent/s to shortlist the Buyer may take into account any of the following additional information:
 1. the results from due diligence
 2. any matter that materially impacts on the Buyer's trust and confidence in the Respondent
 3. any relevant information that the Buyer may have in its possession.
4. The Buyer will advise Respondents if they have been shortlisted or not. Being shortlisted does not constitute acceptance by the Buyer of the Respondent's Registration, or imply or create any obligation on the Buyer to enter into negotiations with, or award a Contract for delivery of the Requirements to any shortlisted Respondent/s. At this stage in the ROI process the Buyer will not make public the names of the shortlisted Respondents.

5. Respondent's debrief

1. At any time after shortlisting Respondents, the Buyer will offer Respondents who have not been shortlisted a debrief. Each Respondent will have 30 Business Days from the date of offer to request a debrief. When a Respondent requests a debrief, the Buyer will provide the debrief within 30 Business Days of the date of the request or the date the Contract is signed, whichever is later.
2. The debrief may be provided by letter, email, phone or at a meeting. The debrief will:
 1. provide the reasons why the Registration was or was not successful
 2. explain how the Registration performed against the pre-conditions (if applicable) and the evaluation criteria
 3. indicate the Registration's relative strengths and weaknesses
 4. explain, in general terms, the relative advantage/s of the shortlisted Registration/s
 5. seek to address any concerns or questions from the Respondent
 6. seek feedback from the Respondent on the ROI process.

6. Issues and complaints

1. A Respondent may, in good faith, raise with the Buyer any issue or complaint about the ROI, or the ROI process at any time.
2. The Buyer will consider and respond promptly and impartially to the Respondent's issue or complaint.
3. The Buyer and Respondent each agree to act in good faith and use its best endeavours to resolve any issue or complaint that may arise in relation to the ROI.
4. The fact that a Respondent has raised an issue or complaint is not to be used by the Buyer to unfairly prejudice the Respondent's ongoing participation in the ROI process or future contract opportunities.

Standard ROI conditions

Buyer's Point of Contact

1. All enquiries regarding the ROI must be directed by email to the Buyer's Point of Contact. Respondents must not directly or indirectly approach any representative of the Buyer, or any other person, to solicit information concerning any aspect of the ROI.
2. Only the Point of Contact, and any authorised person of the Buyer, are authorised to communicate with Respondents regarding any aspect of the ROI. The Buyer will not be bound by any statement made by any other person.
3. The Buyer may change the Point of Contact at any time. The Buyer will notify Respondents of any such change. This notification may be posted on GETS or sent by email.
4. Where a Respondent has an existing contract with the Buyer then business as usual communications, for the purpose of managing delivery of that contract, will continue

using the usual contacts. Respondents must not use business as usual contacts to lobby the Buyer, solicit information or discuss aspects of the ROI.

8. Conflict of Interest

1. Each Respondent must complete the Conflict of Interest declaration in the Response Form, and must immediately inform the Buyer should a Conflict of Interest arise during the ROI process. A material Conflict of Interest may result in the Respondent being disqualified from participating further in the ROI process.

9. Ethics

1. Respondents must not attempt to influence or provide any form of personal inducement, reward or benefit to any representative of the Buyer in relation to the ROI.
2. A Respondent who attempts to do anything prohibited by paragraphs 4.10.a and c, and 4.12.a. may be disqualified from participating further in the ROI.
3. The Buyer reserves the right to require additional declarations, or other evidence from a Respondent, or any other person, throughout the ROI process to ensure probity of the ROI process.

10. Anti-collusion and bid rigging

1. Respondents must not engage in collusive, deceptive or improper conduct in the preparation of their Registrations or other submissions or in any discussions with the Buyer. Such behaviour will result in the Respondent from being disqualified from participating further in the ROI process. The Respondent warrants that its Registration has not been prepared in collusion with a Competitor.
2. The Buyer reserves the right, at its discretion, to report suspected collusive or anti-competitive conduct by Respondents to the appropriate authority and to give that authority all relevant information including a Respondent's Registration.

11. Confidential Information

1. The Buyer and Respondent will each take reasonable steps to protect Confidential Information and, subject to paragraph 4.14.c. and without limiting any confidentiality undertaking agreed between them, will not disclose Confidential Information to a third party without the other's prior written consent.
2. The Buyer and Respondent may each disclose Confidential Information to any person who is directly involved in the ROI process on its behalf, such as officers, employees, consultants, contractors, professional advisors, evaluation panel members, partners, principals or directors, but only for the purpose of participating in the ROI.
3. Respondents acknowledge that the Buyer's obligations under paragraph 4.14.a. are subject to requirements imposed by the Official Information Act 1982 (OIA), the Privacy Act 1993, parliamentary or constitutional convention and any other obligations imposed by the law. The Buyer will not be in breach of its obligations if Confidential Information is disclosed by the Buyer to the appropriate authority because of suspected collusive or anti-competitive tendering behaviour. Where the Buyer receives an OIA request that relates to a Respondent's Confidential Information the Buyer will consult with the Respondent and may ask the Respondent to explain why the information is considered by the Respondent to be confidential or commercially sensitive.

12. Confidentiality of ROI information

1. For the duration of the ROI, to the date of the announcement of the Successful Respondent, or the end of the procurement process, the Respondent agrees to keep the ROI strictly confidential and not make any public statement to any third party in relation to any aspect of the ROI, the ROI process or the award of any Contract without the Buyer's prior written consent.
2. A Respondent may disclose information relating to the ROI to any person described in paragraph 4.14.b. but only for the purpose of participating in the ROI. The Respondent must take reasonable steps to ensure that such recipients do not disclose Confidential



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Information to any other person or use Confidential Information for any purpose other than responding to the ROI.

13. Costs of participating in the ROI process

1. Each Respondent will meet its own costs associated with the preparation and presentation of its Registration and any negotiations.

14. Ownership of documents

1. The ROI and its contents remain the property of the Buyer. All Intellectual Property rights in the ROI remain the property of the Buyer or its licensors. The Buyer may request the immediate return or destruction of any or all ROI documents and any copies. Respondents must comply with any such request in a timely manner.
2. All documents forming the Registration will, when delivered to the Buyer, become the property of the Buyer. Registrations will not be returned to Respondents at the end of the ROI process.
3. Ownership of Intellectual Property rights in the Registration remain the property of the Respondent or its licensors. However, the Respondent grants to the Buyer a non-exclusive, non-transferable, perpetual licence to retain, use, copy and disclose information contained in the Registration for any purpose related to the ROI process.

15. No binding legal relations

1. Neither the ROI, nor the ROI process, creates a process contract or any legal relationship between the Buyer and any Respondent, except in respect of:
 1. the Respondent's declaration in its Registration
 2. the Respondent's statements, representations and/or warranties in its Registration and in its correspondence with the Buyer
 3. the Evaluation Approach to be used by the Buyer to assess Registrations as set out in Section 3, and in the ROI-Terms as varied by Section 1, paragraph 1.6, if applicable)
 4. the standard ROI conditions set out in paragraphs 4.10 to 4.23
 5. any other matters expressly described as binding obligations in Section 1, paragraph 1.6.
6. Each exception in paragraph 4.18.a. is subject only to the Buyer's reserved rights in paragraph 4.20.
7. Except for the legal obligations set out in paragraph 4.18.a. no legal relationship is formed between the Buyer and any Respondent unless and until a Contract is entered into between those parties.

16. Elimination

1. The Buyer may exclude a Respondent from participating in the ROI process if the Buyer has evidence of any of the following, and is considered by the Buyer to be material to the ROI:
 1. the Respondent has failed to provide all information requested, or in the correct format, or materially breached a term or condition of the ROI process
 2. the Registration contains a material error, omission or inaccuracy
 3. the Respondent is in bankruptcy, receivership or liquidation
 4. the Respondent has made a false declaration
 5. there is a serious performance issue in a historic or current contract delivered by the Respondent
 6. the Respondent has been convicted of a serious crime or offence
 7. there is professional misconduct or an act or omission on the part of the Respondent which adversely reflects on the integrity of the Respondent
 8. the Respondent has failed to pay taxes, duties or other levies
 9. the Respondent represents a threat to national security or the confidentiality of sensitive government information
 10. the Respondent is a person or organisation designated as a terrorist by New Zealand Police.



17. Buyer's additional rights

1. Despite any other provision in the ROI the Buyer may, on giving due notice to Respondents:
 1. amend, suspend, cancel and/or re-issue the ROI, or any part of the ROI
 2. make any material change to the ROI (including any change to the timeline, Requirements or Evaluation Approach) on the condition that Respondents are given a reasonable time within which to respond to the change.
3. Despite any other provision in the ROI the Buyer may:
 1. accept a late Registration if it is the Buyer's fault that it is received late
 2. in exceptional circumstances, accept a late Registration where it considers that there is no material prejudice to other Respondents. The Buyer will not accept a late Registration if it considers that there is risk of collusion on the part of a Respondent, or the Respondent may have knowledge of the content of any other Registration
 3. in exceptional circumstances, answer questions submitted after the Clarification Period ends
 4. accept or reject any Registration, or part of a Registration
 5. accept or reject any non-compliant, non-conforming or alternative Registration
 6. decide not to enter into a Contract with any Respondent
 7. liaise or negotiate with any Respondent without disclosing this to, or doing the same with, any other Respondent
 8. provide or withhold from any Respondent information in relation to any question arising in relation to the ROI. Information will usually only be withheld if it is deemed unnecessary, is commercially sensitive to a Respondent, is inappropriate to supply at the time of the request or cannot be released for legal reasons
 9. amend the Proposed Contract at any time, including during negotiations with a shortlisted Respondent
 10. waive irregularities or requirements in the ROI process where it considers it appropriate and reasonable to do so.
11. The Buyer may request that a Respondent agrees to the Buyer:
 1. selecting any individual element/s of the Requirements that is offered in a Registration and capable of being delivered separately, unless the Registration specifically states that the Registration, or elements of the Registration, are to be taken collectively
 2. selecting two or more Respondents to deliver the Requirements as a joint venture or consortium.

18. New Zealand law

1. The laws of New Zealand shall govern the ROI process and each Respondent agrees to submit to the exclusive jurisdiction of the New Zealand courts in respect of any dispute concerning the ROI or the ROI process.

19. Disclaimer

1. The Buyer will not be liable in contract, tort, equity, or in any other way whatsoever for any direct or indirect damage, loss or cost incurred by any Respondent or any other person in respect of the ROI process.
2. Nothing contained or implied in the ROI, or ROI process, or any other communication by the Buyer to any Respondent shall be construed as legal, financial or other advice. The Buyer has endeavoured to ensure the integrity of such information. However, it has not been independently verified and may not be updated.
3. To the extent that liability cannot be excluded, the maximum aggregate liability of the Buyer is \$1.

20. Precedence

1. Any conflict or inconsistency in the documents forming the ROI shall be resolved by giving precedence in the following descending order:



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1. Section 1, paragraph 1.6
2. Section 4 (ROI-Terms)
3. all other Sections of this ROI document
4. any additional information or document provided by the Buyer to Respondents through the Buyer's Point of Contact or GETS.
5. If there is any conflict or inconsistency between information or documents having the same level of precedence the later information or document will prevail.



Definitions

In relation to this ROI the following words and expressions have the meanings described below.

Advance Notice	A notice published by the buyer on GETS in advance of publishing the ROI. An Advance Notice alerts the market to a contract opportunity. Where used, an Advance Notice forms part of the ROI.
Business Day	Any week day in New Zealand, excluding Saturdays, Sundays, New Zealand (national) public holidays and all days from Boxing Day up to and including the day after New Year's Day.
Buyer	The Buyer is the government agency that has issued the call for Registrations of interest through a ROI with the intent of purchasing the goods or services described in the Requirements. The term Buyer includes its officers, employees, contractors, consultants, agents and representatives.
Competitors	Any other business that is in competition with a Respondent either in relation to the goods or services sought under the ROI or in general.
Confidential Information	<p>Information that:</p> <ol style="list-style-type: none"> 1. is by its nature confidential 2. is marked by either the Buyer or a Respondent as 'confidential', 'commercially sensitive', 'sensitive', 'in confidence', 'top secret', 'secret', classified' and/or 'restricted' 3. is provided by the Buyer, a Respondent, or a third party in confidence 4. the Buyer or a Respondent knows, or ought to know, is confidential. <p>Confidential information does not cover information that is in the public domain through no fault of either the Buyer or a Respondent.</p>
Conflict of Interest	A Conflict of Interest arises if a Respondent's personal or business interests or obligations do, could, or be perceived to, conflict with its obligations to the Buyer under the ROI or in the provision of the goods or services. It means that the Respondent's independence, objectivity or impartiality can be called into question. A Conflict of Interest may be:

	<ol style="list-style-type: none"> 1. actual: where the conflict currently exists 2. potential: where the conflict is about to happen or could happen, or 3. perceived: where other people may reasonably think that a person is compromised.
Contract	The written contract/s entered into by the Buyer and Successful Respondent/s for the delivery of the Requirements.
Deadline for Registration	The deadline that Registrations are to be delivered or submitted to the Buyer as stated in Section 1, paragraph 1.2.
Deadline for Questions	The deadline for suppliers to submit questions to the Buyer as stated in Section 1, paragraph 1.2, if applicable.
Evaluation Approach	The approach used by the Buyer to evaluate Registrations as described in Section 3 the ROI-Terms (as varied by Section 1, paragraph 1, if applicable.).
GETS	Government Electronic Tenders Service www.gets.govt.nz
GST	The goods and services tax payable in accordance with the New Zealand Goods and Services Tax Act 1985.
Intellectual Property	All intellectual property rights and interests, including copyright, trademarks, designs, patents and other proprietary rights, recognised or protected by law.
Point of Contact	The Buyer and each Respondent are required to appoint a Point of Contact. This is the channel to be used for all communications during the ROI process. The Buyer's Point of Contact is identified in Section 1, paragraph 1.3. The Respondent's Point of Contact is identified in its Registration.
Registration	The response a Respondent submits in reply to the Buyer's ROI. It comprises the Response Form, the Respondent's registration and all other information submitted by a Respondent.
ROI	Means the Buyer's call for Registrations of Interest.
Registration of Interest	The Buyer's call for Registrations of Interest comprises the Advance Notice (where used), this ROI document (including the ROI-Terms) and any other schedule, appendix or document attached to ROI, and any subsequent information provided by the Buyer to Respondents through the Buyer's Point of Contact or GETS.
ROI-Terms	Means the Process, Terms and Conditions that apply to this Registration of Interest Conditions as described in Section 4.
ROI Process, Terms and Conditions (shortened to ROI-Terms)	The government's standard terms and conditions that apply to ROIs as described in Section 4. These may be varied at the time of the release of the ROI by the Buyer in Section 1, paragraph 1.6. These may be varied subsequent to the release of the ROI by the Buyer on giving notice to Respondents.
Requirements	The goods and/or services described in Section 2 which the Buyer intends to purchase.
Respondent	A person, organisation, business or other entity that submits a Registration in response to the ROI. The term Respondent includes its officers, employees, contractors, consultants, agents and representatives. The term Respondent differs from a supplier, which is any other business in the market place that does not submit a Registration.'
Response Form	The form and declaration prescribed by the Buyer and used by a Respondent to respond to the ROI, duly completed and submitted by a Respondents as part of its Registration.