12 Tranche 1 Commercial Case

12.1 Approach

No strategic procurement is required to be conducted to enable the services required for Tranche 1. Instead contractual variations will be made to existing arrangements to ensure the first two DHBs (Hutt Valley and Wairarapa) are able to commence the roll out of the NBSP.

Contracts with Waitemata and S9(2)(j) would be varied to ensure consistency of delivery of coordination services and S9(2)(j). Contracts would also be entered into with Hutt Valley DHB and Wairarapa DHB to enable services to be provided by those two DHBs. Finally, the supplier of the IT solution for the Bowel Screening Pilot will also provide an enhanced version that will be utilised during Tranche 1 of the national roll out.

As detailed in Section 6.2, market engagement would be undertaken in Tranche 1 for the National Coordination Centre (NCC) and Bowel Screening Regional Centres (BSRC).

12.2 Required Services and Timeline

The key services required for Tranche 1 are summarised in Table 48.

Table 48: Tranche 1 Required Services

Service required	Existing Contract	Variation required	Justification
Provision of Tranche 1 coordination centre services	Current Pilot Contract with Waitemata DHB includes coordination centre services. This contract is on the screening contract template. It provides funding for fixed services (staffing, accommodation etc) and variable (colonoscopies) Fixed funding until end December 2017 and variable until end June 2018.	Initial variation to include set up and planning services at Waitemata DHB to bring on two additional DHBs: • Term: from end September 2016 until delivery contract in place, approx. end May 2017 Subsequent variation for amended services from and funding for Waitemata DHB for the delivery of coordination centre services for the two additional DHBs: • Term: From end May 2017 until National Coordination Centre in place and operational (approx. end 2017) • Option to renew coordination centre services if National Coordination Centre is not in place by end 2017. • Option for early termination of the Pilot if there is a decision to transition to the National Coordination Centre earlier.	Extension of Pilot, as an interim solution, to provide coordination centre services for two additional DHBs until the National Coordination Centre has been procured, contracts signed and Centre is operational and able to provide the coordination services for the DHBs. Not value for money to tender for or contract these interim services from another provider given prohibitive set up time and costs.
Provision of test kits and analyser reagent for three DHBs	S9(2)(j)	S9(2)(j)	S9(2)(j)

Service required	Existing Contract	Variation required	Justification
	[redacted]		[redacted]
Set up and delivery contracts with Hutt Valley and Wairarapa DHBs	New Contract Required	A new contract would be required and is likely to be with Hutt Valley DHB on behalf of both DHBs to: • Provide funding for set up services (30 September 2016 until end May 2017), • Provide funding for delivery of bowel screening post go-live (approx. from end May 2017)	Extension of DHB responsibilities until Bowel Screening Regional Centres are in place. Tendering or contracting for the interim service from another provider will not deliver value for money.
IT solution	Bowel Screening Pilot (BSP) IT System	A variation would be required to the current contract with Argonaut. This will enable the BSP IT System to be extended to incorporate the additional two Tranche 1 DHBs.	The time requirements and associated cost would prohibit going to market and integrating/ developing a new IT solution by the commencement of Tranche 1.

12.3 Suppliers

Supplier Selection

It is intended that the existing suppliers would continue to deliver services to support Hutt Valley DHB and Wairarapa DHB as they commence the NBSP. New contracts would be required directly with each of the two DHBs selected for Tranche 1 and will be in place until the contractual arrangements can be transitioned to the National Coordination Centre and the Bowel Screening Regional Centres.

The approach to the supplier selection for Tranche 1 (in terms of an extension of the pilot services) is necessitated by the tight timeframes and the need to ensure that the required services are in place to support the first DHBs in their roll out of the NBSP. This approach would not preclude changes for Tranche 2, where open procurement would be conducted for the delivery of the required services for the full national programme.

Payment Approach, Accountancy Treatment and Risk Allocation

As noted above, it is envisaged that there would be no change to existing suppliers. The existing payment approach, accountancy treatment and risk allocation arrangements that are currently in place with each supplier would continue.

13 Tranche 1 Financial Case

13.1 Financial Costing Approach

Scope and Process

The financial modelling for Tranche 1 is over 20 years for the DHB implementation and programme outyears.

The Tranche 1 financial case is based on the preferred option as set out in Section 5.5, i.e. Option 4: Complete. The financials align with the scope outlined in Section 11.2 and the following implementation timeframes:

- Extension of the Bowel Screening Pilot IT system;
- Go-live in Wairarapa and Hutt Valley DHBs in July 2017;
- Waitemata DHB to provide interim NCC services, including training while procurement and setup of a permanent NCC is in progress;
- Tranche 1 DHBs to provide interim bowel screening regional centre services while permanent setup is agreed by regional DHBs;
- Hutt Valley and Wairarapa DHBs planning, training and promotion.

The financial analysis encompasses a detailed assessment of key costs associated with the implementation of the programme. Whilst the financials are robust based on the information available and the key assumptions, they are indicative and may vary during the implementation.

Key Assumptions

The key assumptions used in the Tranche 1 financial modelling are:

- Extension of the Bowel Screening Pilot IT system achieved within the IT DE funding announced during Budget 16;
- The estimate of the individual elements of Tranche 1 are based on the costs of the Bowel Screening Pilot in Waitemata DHB;
- Expected volumes of participants at each stage of the pathway were modelled based on findings from the Bowel Screening Pilot, revised for the reduced age-range for the Tranche 1 programme;

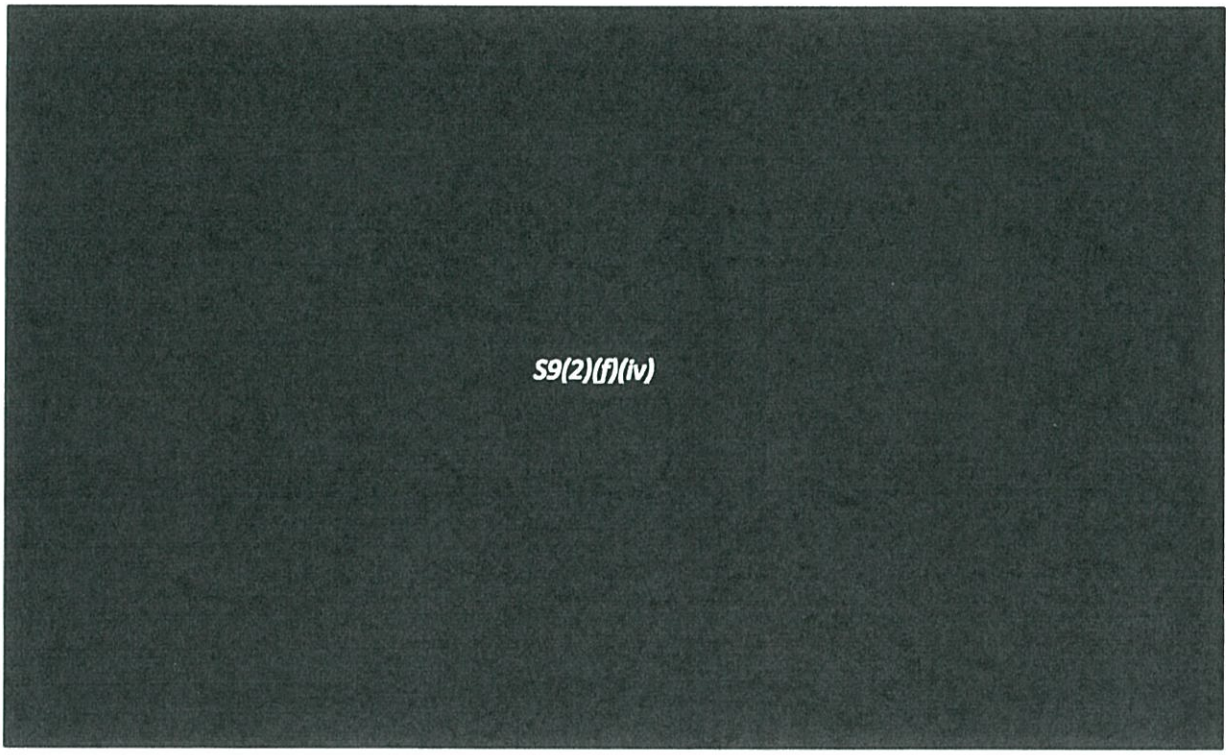
As highlighted in Section 4.4, there are a number of benefits that are impractical to quantify. To avoid misrepresenting the business case, these have been excluded from the financial analysis.

- Out of scope:
    - Clinical hardware and associated applications required to establish or augment DHBs' clinical capability.
    - Changes to DHBs' internal administrative systems to support new staff or other capabilities.
    - Wider impacts on other Ministry or Sector systems that have not yet been scoped.

13.2 Summary

The indicative whole of life (20 years) capital and operating financial profile of the Tranche 1 implementation is set out in Table 49. Detailed Tranche 1 financials are set out in Appendix 19.

Table 49: National Bowel Screening Programme - Tranche 1 Costs



13.3 Tranche 1 affordability

The Tranche 1 cost is S9(2)(f)(iv) over the 20 year modelled period, including screening programme funding and the brought forward DHB treatment costs associated with the delivery of the programme. The Tranche 1 DHBs and Ministry are committed to meeting the Minister of Health's expectation of financial performance, as set out in the Annual Plans.

No capital is required during Tranche 1. The extension to the existing Bowel Screening Pilot IT system would be made using the Opex funds approved in Budget 2016. The capital required for the National Bowel IT solution would be submitted as part of Tranche 2. The estimated 20 year operating profile for Tranche 1 is set out in Appendix 19. The proposed funding arrangements for Tranche 1 are:

- **Ministry of Health (using programme funding of S9(2)(f)(iv)):** funds the screening pathway via DHBs. This includes for Tranche 1 DHBs cost of screening, training, extension of the Bowel Screening Pilot IT system, setting-up the National Coordination Centre function, setting-up Bowel Screening Regional Centre function, colonoscopy service provision and ongoing surveillance colonoscopies as a result of screening. Screening services and surveillance colonoscopies are funded at a rate set by the Ministry which include depreciation, interest and capital charge.

- **DHBs:** fund treatment costs within their annual funding arrangements. Those participants with cancer would be treated at their DHBs under usual care. The majority of people diagnosed with bowel cancer through the screening programme would have been diagnosed and treated by their DHB at some stage in the future. The screening programme simply identifies them earlier (and likely at a more treatable stage), hence these costs are brought forward. The estimated cost brought forward to the Tranche 1 DHBs is S9(2)(f)(iv).

14 Tranche 1 Management Case

The bowel screening pilot in Waitemata DHB is responsible for supporting the successful planning and implementation of the national bowel screening programme in the Hutt Valley and Wairarapa DHBs, by July 2017. The bowel screening pilot will also prepare for transition to the national bowel screening programme in January 2018. This project is Tranche 1 of the larger project to implement the screening programme in all DHBs by 2020.

Waitemata, Hutt Valley and Wairarapa DHBs have agreed on their respective areas of responsibility, based on assumptions made relating to some aspects of the national programme delivery structure, which have yet to be confirmed.

14.1 Governance and Management

Governance arrangements

The governance arrangements for Tranche 1 would sit within the context of the wider programme governance structure, as outlined in Section 8.1. The Ministry would provide the overarching governance for all three Tranche 1 DHBs, to ensure preparedness for implementation.

Waitemata DHB will liaise with the Ministry of Health to establish an internal governance group, the purpose of which would be to advise and support the project team to deliver the project (i.e. the rollout to Tranche 1) on time and to budget. The group would be accountable to the Waitemata DHB CEO and would be chaired by the Waitemata DHB Director Funding. Membership is to be confirmed and may include Ministry representatives, as is the case for existing the bowel screening pilot Steering Group. Terms of Reference would be agreed and the group would meet monthly. The project lead would present a monthly report to the governance group and would also maintain a risks and issues register.

The proposed governance arrangements for Waitemata DHB is depicted in Figure 22.

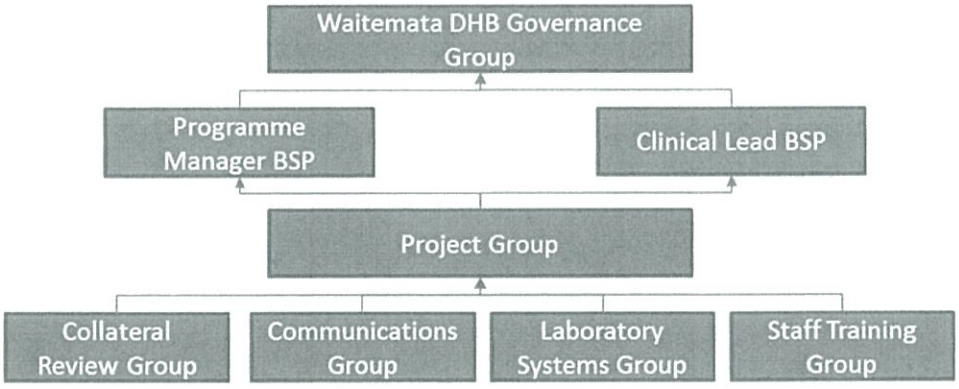


Figure 22: Proposed Governance Structure for Waitemata DHB

Hutt Valley and Wairarapa DHBs would establish a shared governance group. Cross-membership between the three Tranche 1 DHBs may be considered for these governance groups, including Ministry representation. The proposed governance arrangements for Hutt Valley and Wairarapa DHBs is depicted in Figure 23.

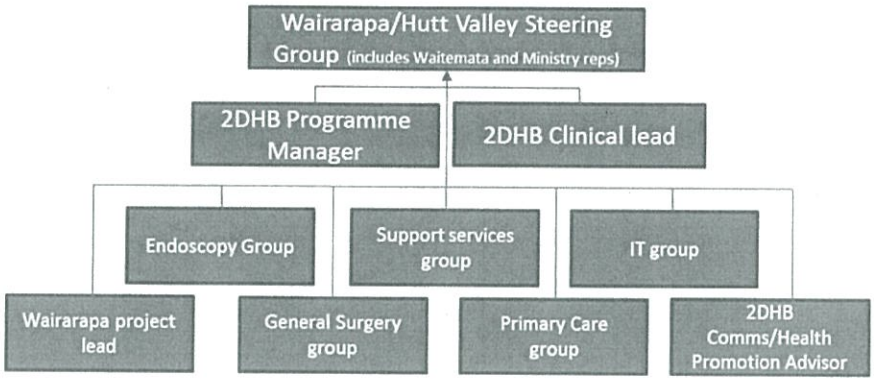


Figure 23: Proposed Governance Structure for Hutt Valley and Wairarapa DHB

The governance for the IT solution component of the programme would be through the NBSP Programme governance structure and through the Technology and Digital Services (TD&S) standard Architecture and Delivery Governance groups. The NBSP Governance Group would have responsibility for project assurance.

The structures outlined above would ensure that appropriate governance is achieved for the Tranche 1 DHBs. The use of key decision points (including Gateway reviews) would ensure that there are appropriate opportunities for oversight and input into Tranche 1 as it is implemented.

Project management approach

The Tranche 1 DHBs would use locally approved project management approaches for the delivery of this project.

Robust project management arrangements are critical to the success of the IT and implementation projects. This is to ensure that the DHB rollouts are planned and managed effectively, and that the IT solution is successfully implemented with effective control over IT change.

The National Bowel Screening business operational model is one of the key drivers underpinning the new National Bowel Screening IT solution and would be reflected in the project management arrangements for the IT solution development project. Strong partnerships with key stakeholders, including engagement of users, would be fundamental to the project management arrangements. The IT solution development project would be managed in accordance with the Ministry of Health Prince2 methodology.

Project Structure and Staffing

The IT project structure is as detailed in Section 8.1

The Waitemata DHB project team would be led by the manager of the bowel screening pilot, who reports to the Director Hospital Services and the Director Funding. The manager would be responsible to the governance group for achieving the plan deliverables. Team members would represent all project areas – data management, communications, laboratory services, health promotion and relevant clinicians. A detailed project plan would be developed and meetings to review progress against the plan would occur regularly. Regular teleconferences of project team members from all three DHBs would be held to ensure project alignment and the resolution of any issues which may arise.

The Bowel Screening Pilot Manager would assume project management responsibilities for Waitemata DHB's Tranche one activities, supported by the Waitemata DHB clinical director, lead colonoscopist, data manager, quality lead, communications advisor and other members of the team as required.

Hutt Valley and Wairarapa would appoint one (or possibly two) project managers to lead and coordinate all of the activities leading up to launch date and beyond. A senior clinician would be appointed to provide

clinical leadership. Senior nurse(s) would be identified at each screening colonoscopy site, with responsibility for the delivery of nurse pre-assessments and the delivery of screening colonoscopy services.

The Hutt Valley/Wairarapa DHB project manager(s) would establish working groups to plan and implement the various programme components for which each DHB is responsible. This includes community awareness raising, communications, primary care engagement, information systems, laboratory services and endoscopy. Waitemata team members would provide support by teleconference and in person.

Wairarapa and Hutt Valley DHBs would appoint a senior clinician (doctor) to provide clinical leadership for their programme. Senior nurse(s) would also be nominated at each screening colonoscopy site, to take responsibility for the delivery of nurse pre-assessments and the day to day delivery of screening colonoscopy services, including data entry.

A high-level project plan would be developed across all three DHBs, alongside local project plans. Programme/project managers and others from all three DHBs will teleconference monthly to review progress against the plans and identify any issues which need to be addressed.

The Waitemata DHB data manager would identify all systems issues needing to be resolved prior to 'go live'. The manager would liaise with the Ministry and Wairarapa and Hutt Valley DHBs to ensure all systems (register, laboratory, primary care) are developed, tested and able to support two additional DHBs joining the programme. The data manager would also ensure that Wairarapa and Hutt Valley's data and report requirements are able to be met.

The Waitemata health promotion lead would provide advice and support (as requested) relating to the promotion of the programme in the community, and would make all plans and resources used during the pilot available for review.

The iFOBT laboratory would liaise with the Wairarapa and Hutt Valley DHBs (and potentially primary care and laboratories) to ensure systems are in place for the reporting of test results to GPs. The laboratory would also provide advice as requested for the establishment of a screening programme histology service, including pro forma reporting.

The Waitemata DHB primary care liaison staff would provide guidance relating to education for practice teams about their role in the programme and approaches to ongoing support.

Project Monitoring and Reporting

The Programme Manager from Waitemata DHB and both project managers from Hutt Valley and Wairarapa DHBs would provide comprehensive monthly reports to the NBSP Steering Group and to the Governance Group, to ensure that the DHB implementation planning is on time, and that any variations are managed. This would include updates on the IT solution development project, the individual DHB implementation projects and key programme risks and issues. The Programme will work on the basis of exception reporting, where project tolerances are being exceeded or are at risk of being exceeded.

The Ministry IT Project Manager would provide a fortnightly progress report to the NBSP Programme Manager, as this is a critical element of the overall Programme delivery.

Tranche 1 Key Milestones

The key Tranche 1 milestones and approximate timings are shown in Table 50 and Tranche 1 Gantt charts are included as Appendix 20.

Table 50: Tranche 1 – DHB and NBSP IT Solution Milestones

Tranche 1 Key Milestones	Approximate Completion Date
High level requirements for the BSP+	Jul 2016
BSP+ release 4.0	Sep 2016
Tranche 1 DHBs implementation funding contracts	Sep 2016
Tranche 1 DHBs implementation plans agreed	Oct 2016
Tranche 1 DHBs plans for primary care involvement, staff training, communications & engagement, equity and quality standards implementation	Dec 2016
Tranche 1 DHBs procedures for active follow-up and family history referral pathway	Dec 2016
BSP+ release 5.0	Jan 2017
S9(2)(i)	S9(2)(i)
BSP+ release 6.0 Production go live at Waitemata DHB	Apr 2017
Gateway 4 (Readiness for Service)	Apr 2017
BSP+ release 6.0 Production go live at Hutt Valley DHB	Jun 2017
BSP+ release 6.0 Production go live at Wairarapa DHB	Jun 2017
Waitemata "Go Live" (transition from Pilot to NBSP/interim national coordination centre)	Jul 2017
Hutt Valley and Wairarapa DHBs "Go Live" on the NBSP	Jul 2017
Tranche 1 DHBs migration from BSP+ to NBSP IT solution	Jan 2018
Transition of Waitemata, Hutt Valley and Wairarapa DHBs to the national and regional infrastructure (NCC, BSRC, NBSP IT solution)	Jan 2018

14.2 Change Management

The Programme Manager, Project Manager, IT Change Manager, Relationship Managers and Communication and Stakeholder Senior Advisors at the Ministry would all have responsibility for supporting change, and would work closely with DHB teams. Waitemata DHB would make their training modules and change management support materials available to Hutt Valley and Wairarapa DHBs, recognising that updates are likely to be required. The Relationship Managers would have a critical role in liaising with the DHBs, to support the change management activities that are occurring and to provide support as required over the implementation period.

The current Bowel Screening Pilot coordination centre staff and staffing structure would be retained for the Tranche 1 implementation. Training modules would be developed for information line (0800) staff and the active follow up team so that they are well prepared for the management of incoming and outgoing calls to the Hutt Valley and Wairarapa DHB populations. Training modules would also be developed for endoscopy staff (pre-assessment, data entry and histology).

Waitemata DHB would make their training modules and change management support materials available to Hutt Valley and Wairarapa DHBs, recognising that updates are likely to be required. All members of the Waitemata project team would be available on request to train and support the Wairarapa and Hutt Valley DHB staff in the screening and diagnostic systems and processes.

An IT change manager would be appointed to provide a planned approach to business change and successful implementation of the IT solution in the sector.

14.3 Communication and Engagement

Waitemata DHB would not be responsible for communications or engagement in the Wairarapa and Hutt Valley DHB areas but would be available to provide advice and resources. Waitemata DHB would develop communications to stakeholders and eligible people relating to the impact of the national roll-out. The Waitemata DHB Communications Advisor would work with the Ministry and Wairarapa and Hutt Valley DHBs to make the necessary changes to all programme collateral to align with the national programme model. The Communications Advisor would also provide advice and support to Hutt Valley and Wairarapa DHBs relating to stakeholder communications, general practice education and community awareness raising, and would make available copies of all plans and publications used in the pilot.

More frequent 'go live' teleconferences will be held in the weeks leading up to the programme launch and the weeks after, to discuss progress and resolve any issues. Waitemata DHB would work with the Ministry and relevant stakeholders on a testing schedule to ensure that all systems and processes are robust and able to support the commencement of the programme in Hutt and Wairarapa DHBs.

Wairarapa and Hutt Valley DHBs would take on some communications functions during implementation that the proposed National Coordination Centre and Bowel Screening Regional Centres would undertake for subsequent DHB rollouts. The DHBs would work closely with Waitemata DHB and the Ministry, to avoid duplication of effort and resource.

A dedicated communications resource would be allocated to work alongside the Programme manager and Wairarapa Project Lead. A key function of this role would be the development and implementation of a detailed communications plan, building on the following outline:

- Phase 1: DHB staff engagement
- Phase 2: Primary care engagement
- Phase 3: stakeholder engagement
- Phase 4: community engagement

The communications would be planned in liaison with the Programme communications and engagement lead, and undertaken locally with the support of the Programme where required. It is expected that some of the material developed for the Programme (e.g. FAQs) would be utilised by the Tranche 1 DHBs, supplemented by local communications material.

Wairarapa and Hutt Valley DHBs would also identify local health promotion and communications expertise, to raise community awareness of the programme locally and to manage the stakeholder communications. Waitemata DHB would make a significant contribution in these areas, in particular for communications, as significant collateral has been developed for a range of ethnicities and could easily be adapted for other DHBs.

14.4 Benefits Management

Identification, measurement and tracking of benefits would be undertaken to ensure that the expected outcomes are realised, including maximising participation to deliver the assumptions underpinning the cost

benefit modelling. The DHB Senior Responsible Owner would have overall responsibility for the realisation of benefits within that DHB, and for ensuring regular reporting to the Programme. The benefits register developed for the Programme would be maintained for the duration of the Programme, with responsibility reverting to appropriate stakeholder or stakeholders when the initiative moves from implementation to Business As Usual.

The final benefits review would be developed at the end of the programme implementation (i.e. January-March 2020) and would run alongside the programme evaluation and Gateway 5 review.

14.5 Risk Management

A Risks and Issues Register has been developed for Tranche 1. This includes the local risks identified at the three Tranche 1 DHBs and the IT solution risks. Where Tranche 1 risks or issues are deemed significant enough to impact on the overall programme, these are also captured in the Programme Risk Register and are monitored accordingly. The IT risks would be managed through the same project and programme processes that are being used for the wider programme.

14.6 Monitoring and Evaluation

Monitoring

The planning and rollout of the Tranche 1 implementation would be monitored by the Ministry team, to ensure that all required elements were in place prior to go-live. In addition, the individual projects within Tranche 1 would be subject to Treasury Major Projects Monitoring assurance, as the Programme is monitored at this level. This monitoring assurance would include the three DHBs as well as the development of the IT solution to support the NBSP.

Independent quality assurance (IQA) reviews would be scheduled at key milestones in the IT solutions project, mindful of lessons learned from other government IT projects (e.g. Novopay).

Gateway review

A Gateway 4 Readiness for Service review would be scheduled for approximately April 2017, prior to go-live. The purpose of this review would be to review whether the solution is robust before implementation, how ready the organisations are to implement the business changes that occur before and after delivery; the contact management arrangements that are in place or are being arranged, and whether there is a basis for evaluating ongoing performance.

Programme and project (tranche) evaluation (post implementation review)

- **Tranche Go-Live evaluation:** This would take place within a month of the Tranche 1 implementation. The evaluation would reconcile the implementation process to go-live, to plan and identify any key learning points which could be incorporated into subsequent DHB/Tranche implementation plans. Where possible, project budget and timelines would be reviewed.
- **Post-Tranche evaluation:** This would take place 12 months after the Tranche 1 implementation. The evaluation would assess the benefits realised compared to the benefits identified in the tranche business case. The review would also identify potential opportunities for improvements in performance, either for that DHB or others.
- **Ensuring quality:** Those involved in providing bowel screening services must comply with the Bowel Screening Quality Standards. The Ministry would provide quality and clinical oversight of delivery and monitoring. Quality assurance and controls would be in place to determine the performance of the bowel screening services and enable development and improvement. The Bowel Screening providers

must ensure the provision of timely data to enable evaluation and monitoring of the programme. Regular reporting to the Ministry would ensure Bowel Screening Quality Standards and monitoring indicators are met.