

10 October 2025

Michael Fowler

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Dear Mr Fowler

I write in response to your three requests to Kāinga Ora – Homes and Communities, dated 12 September 2025, for information under the Official Information Act 1982 (the Act):

- 1) *Please provide all reports, analyses, evaluations, and communications concerning the overall financial performance, cost-effectiveness, and value-for-money of the Piritahi/LEAD Alliance for the period from December 7, 2018 (Alliance inception) to August 31, 2023 (when the contract extension was signed). This should include, but not be limited to:*
 - *Independent reviews or health checks assessing the Alliance's performance and value, such as the BRS Consulting health check conducted in June 2022, including any recommendations or findings of dissatisfaction regarding cost performance or value for money.*
 - *Board papers, Investment and Delivery Committee (IDC) papers, or management briefings that specifically discuss concerns regarding the Alliance's programme and cost performance, and the rationale for the decision to negotiate and subsequently extend the ACAPA (Alliance Civil Alliance Programme Agreement).*
 - *Any cost-benefit analyses or value assessments undertaken during the contract extension process, particularly those that weighed the risks of continuing performance issues against the benefits of extension.*
- 2) *Please provide all reports, memos, internal communications (including emails and meeting minutes), and records of advice detailing:*
 - *The rationale and decision-making process for ending the Piritahi/LEAD Alliance contractual agreement, including the extended contract, as announced internally on December 19, 2024, and with formal notice on January 31, 2025. This should cover the period from August 1, 2023 (when the extension was signed) to January 31st, 2025.*
 - *Any analysis or advice concerning the strategy to keep existing LEAD Alliance participants involved in a 'different arrangement' to retain intellectual property (IP), as mentioned in Mark Fraser's email of December 6, 2024.*
 - *Proposed models for this new engagement and any initial assessments of how these new arrangements would comply with Government Procurement Rules.*
- 3) *Please provide all records of legal advice, procurement advice, internal guidelines, and decision papers related to the procurement strategy for engaging former Piritahi/LEAD Alliance participants (or new entities for similar infrastructure work) after the termination of the Alliance agreement. This should specifically address:*
 - *The application and justification for any exemptions from open competitive tender processes (e.g., reliance on Government Procurement Rule 14 or similar provisions) for these new arrangements, if such exemptions are being considered or applied.*
 - *The measures put in place to ensure fair competition and value for money in the new contractual arrangements, particularly where former Alliance participants are retained to leverage their expertise or intellectual property.*
 - *Any internal audits or reviews of the proposed procurement approach for the post-Alliance work.*

This request covers the period from January 31st, 2025, to June 30, 2025 (the projected end of the transition from the alliance model).

All three of your requests have been considered and we have provided responses where possible to your questions below.

Request one

Following an assessment, five documents were determined to be in scope of this request. These documents are two 'health checks' as well as three Kāinga Ora Board papers discussing the Piritahi contract extension:

- 1) *Kainga Ora - Piritahi Alliance Team Health Check Survey Report - May 2022*
- 2) *LEAD Alliance Healthcheck 3 Dec 2024 Final.*
- 3) *07.1 Piritahi ACAP Extension (002) - 16 September 2022*
- 4) *October IDC - Piritahi Contract Extension FINAL - 17 October 2022*
- 5) *Post Subcommittee Board Report - Piritahi contract extension - 25 October 2022.*

Where it has been considered necessary, information such as names, email addresses, and phone numbers of some staff and third-parties have been withheld under section 9(2)(a) of the Act, to '*...protect the privacy of natural persons...*'

No specific document was identified as being in scope of the third part of this request for '*...any cost-benefit analyses or value assessments undertaken during the contract extension process, particularly those that weighed the risks of continuing performance issues against the benefits of extension...*'

We are therefore refusing this part of the request under section 18(e) of the Act, as '*... the document alleged to contain the information requested does not exist or, despite reasonable efforts to locate it, cannot be found.*'

Request two

Two internal Kāinga Ora papers discussing the rationale behind the decision to end the LEAD alliance were identified as being in scope of this request and are provided with this response:

- 6) *CELG Paper - Auckland LSPs Infrastructure Update - 27 November 2024*
- 7) *IDC Paper - LSP Infrastructure Update - 16 December 2024.*

As with documents in your first request, some information such as email and phone numbers have been withheld under section 9(2)(a) of the Act.

LEAD was set up on the basis of a volume of work and at the time of the contract extension in 2023, it was projected to enable land for up to 6,000 homes, delivering up to \$1.3 billion of works over the five years to December 2028, across the Large-Scale Project (LSPs).

Due to changes with the scope and pace of the LSP programme the anticipated volumes of work for the did not materialise, and Kainga Ora was faced with comparatively higher overhead costs for LEAD, which were previously justifiable in the context of a large works programme and costs associated with each design and construction project delivered under the programme.

The current model for delivering the remainder of the LSP work programme is now a traditional 'Design-Bid-Build' approach. This model has been selected as projects are typically well-defined due to the design work that has been completed by LEAD and agreed with Auckland Council and it offers a structured process that is widely understood by the market and does not limit the pool of potential consultants or contractors.

Kāinga Ora conducted a market testing Registration of Interest (ROI) process to identify design consultants with the experience and capability to deliver the design services required. Consultants responding to our ROI needed to be members of the Ministry of Business, Innovation, and Employment's (MBIE) All-of-Government construction consultancy panel.

The evaluation of ROI submissions has resulted in a shortlist of ten primary consultants, with an additional five consultants identified as suitable alternatives if required.

For all future design consultant Requests for Proposal (RFPs), it is our intention that a selection of three to five consultants from these lists will be invited to participate in a closed competitive process through the MBIE 'All-of-Govt' construction consultancy panel.

We have also established and maintain our own civil works contractor panel that was openly advertised via the Government Electronic Tender Service (GETS), which comprises of a range of pre-approved contractors.

For all construction-related RFPs, a selection of three to five contractors from the civil works panel will be invited to participate in a closed competitive process. Where project scope or complexity warrants, alternative contractors (from the panel or the open market) may be considered. This determination is made on a project-by-project basis.

Former LEAD participants will likely be included in future procurement opportunities as these participants are already on the existing panels noted above, and fair competition and value for money will be ensured via a competitive tendering process.

Intellectual Property retention is largely through the neighbourhood concept designs completed by LEAD, documented lessons learnt, and involvement of Kāinga Ora in the Alliance as the Owner Participant.

Request three

I refer to my response to your second request above. I can also advise you that the Kainga Ora Urban Development and Delivery group has dedicated procurement resourcing to support the strategy and sourcing of consultants and civil contractors in line with the Kainga Ora Procurement Policy and Government Procurement Rules.

As noted in response to 'Request 2' above, Kainga Ora will mainly engage consultants/contractors through a secondary procurement process (as per Government Procurement Rule 14.9.i) unless the requirement requires an open market approach which would be advertised via GETS.

No additional audits or reviews around the proposed procurement approach were produced by Kāinga Ora. This part of your request, for audits and reviews related to procurement, is therefore refused under section 18(e) of the Act.

Where section 9 of the Act has been cited, I have considered the public interest in releasing this information; however, it has been determined that in each instance, the public interest is outweighed by the need to protect the privacy of the individuals in question.

You have the right to seek an investigation and review by the Ombudsman of this decision. There is information about how to make a complaint at <https://www.ombudsman.parliament.nz> or by phone on 0800 802 602.

Please note that Kāinga Ora proactively releases some responses to official information requests where possible. Our response to your request may be published at <https://kaingaora.govt.nz/en/NZ/publications/oia-and-proactive-releases/responses-to-oia-requests>, with your personal information removed.

Kind regards



Nick Howcroft

General Manager – Urban Development and Delivery