

Kāinga Ora Homes and Communities Board

Paper no:	X.X Board Advisor to insert
Meeting date:	25 October 2022
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Business Group:	Urban Development and Delivery
Title:	PIRITAHU CONTRACT - EXTENSION

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Purpose

1. This paper seeks Kāinga Ora Board agreement to enter into negotiations with the Non-Owner Participants (NOPs) of the Piritahi Alliance (the Alliance) for the extension of the Alliance Civil Alliance Programme Agreement (ACAPA), which has a completion date of 6 December 2023.
2. While there are no direct financial implications associated with the extension of the ACAPA, we are presenting this paper to the Board as the total value of the overall programme of works associated with this contract extension should have Board visibility.

Recommendations

3. It is recommended that the Kāinga Ora Homes and Communities Board:
 - a) **note** that Kāinga Ora needs to consider the extension of the ACAPA at this time to provide certainty to the Piritahi Alliance participants for its forward work programme;
 - b) **note** that three scenarios have been considered, and that an extension of the ACAPA is the recommended approach to ensure recent investment and efforts to improve performance can continue to be realised;
 - c) **note** that the recommended approach has been endorsed by Construction Programme Assurance Panel (CPAP) who we will continue to work with for advice through the contract extension process. This approach was also endorsed by the Large-Scale Project Programme Governance Board at its meeting of 16 September 2022 and at the Investment and Delivery Committee at its meeting of 17 October 2022;
 - d) **agree** to Kāinga Ora entering into negotiations with the Non-Owner Participants (NOPs) to extend the ACAPA for a further term of three years, and
 - e) **agree** to delegate execution of the contract extension to the General Manager Urban Development and Delivery, subject to the negotiations being successful.

Committee Report and Discussion

4. The IDC **endorsed the above recommendations.**
5. The IDC raised the following points for discussion relating to the Piritahi Alliance, any contract extension of the Alliance and governance:
 - a) Urban Development and Delivery (UDD) noted the need to ensure that commercial tension is maintained during the forthcoming contract negotiations with Non-Owner Participants (NOPs)
 - b) Planning is also in train to insure the non-negotiable items are programmed early to ensure that it is not a protracted process. An early exit option will also need to be considered should non-negotiable items not be agreed. UDD commits to adhering to this direction.
 - c) IDC members requested greater visibility of Piritahi and agreed that UDD should provide an annual check-in with the Kāinga Ora Board on the Alliance. UDD commits to returning to the Board in June 2023 with an update on Piritahi.
6. UDD confirmed that the independent review undertaken by BRS provided value and IDC members agreed that this type of review should be conducted regularly. UDD agreed, and noted that there would be benefit extending this to Te Aranga as well. UDD committed to facilitating annual independent reviews of both alliances.

Next Steps

7. Following agreement from the Kāinga Ora Board, the following next steps will be undertaken:
 - a) Inform the Piritahi Programme Alliance Board of the decision
 - b) Finalise Contract Extension Plan

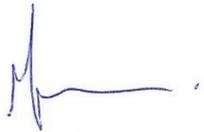
c) Enter into Negotiation with existing Alliance Partners

Attachments

8. There is one attachment to this paper:

- IDC paper: Piritahi Contract – Extension, 17 October 2022

Signature



Mark Fraser

General Manager, Urban Development and Delivery

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