

19 February 2025

Joseph Thompson

fyi-request-29824-1c4c4676@requests.fyi.org.nz

Tēnā koe Mr Thompson,

I write in response to your request dated 21 January 2025, for information under the Official Information Act 1982 (the Act):

Please can you provide all email correspondence and subsequent email chains that were sent between the Director - Infrastructure and Civil Construction and the General Manager - Urban Development and Delivery.

This should cover the three months from the 1st May 2023 until the 1st August 2023, the day the alliance agreement extension was signed.

Kāinga Ora wrote to you on 30 January 2025 seeking a refinement to your request, given the large number of emails that were within scope. Kāinga Ora received no response from you. Kāinga Ora then proceeded with a further search of emails using the keyword 'alliance' (the LEAD Alliance), and the emails found within that search are attached. Content within the emails that do not relate to the LEAD Alliance are marked as out of scope. Some information is withheld under section 9(2)(a) of the Act to protect the privacy of natural persons.

As required under section 9(1) of the Act, I have considered the public interest in releasing the information withheld. I do not consider the public interest considerations are sufficient to outweigh the need to withhold it.

The Land Enablement and Delivery (LEAD) Alliance and Kāinga Ora have worked well together over the past six years to deliver world-class infrastructure. However, as we continue to look for cost efficiencies across our programmes of work, we concluded that the alliance delivery model no longer suits the requirements of our current and future work programme. For this reason, we informed the LEAD Alliance late last year that we are ending our contractual agreement with them.

We are exploring alternative contracting options for the delivery of our infrastructure programmes across our large-scale projects, and the current participants within the LEAD Alliance will have the opportunity to be part of the procurement process for this work.

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 freephone on [0800 802 602](tel:0800802602).

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/publications/official-information-requests/>, with your personal information removed.

Nāku iti noa, nā

A handwritten signature in blue ink, appearing to read 'Mark Fraser', with a stylized flourish at the end.

Mark Fraser

General Manager – Urban Development and Delivery

Out of Scope

-----Original Message-----

From: Mark Fraser [mailto:Mark.Fraser@kaingaora.govt.nz]

Sent: 8 June 2023 18:04

To: Sarah Anderson [mailto:sarah.anderson@kaingaora.govt.nz], Shanon Tapp [mailto:shanon.tapp@kaingaora.govt.nz], Nathan Palmer [mailto:Nathan.Palmer@kaingaora.govt.nz]

CC: Angela Jones [mailto:Angela.Jones@kaingaora.govt.nz], Jodi Polkinghorne [mailto:Jodi.Polkinghorne@kaingaora.govt.nz], Tiana Mioceovich [mailto:tiana.mioceovich@kaingaora.govt.nz], Donna Male [mailto:Donna.Male@kaingaora.govt.nz]

Subject: Re: Contract Extension Paper & Presentation

Excellent work Sarah. Very happy with the purpose you've used, good idea. I have nothing to add - good job.

Regards,

Mark.

Mark Fraser
General Manager, Urban Development and Delivery
Kainga Ora Homes and Communities
s 9(2)(a)

Out of Scope

RELEASED UNDER THE OFFICIAL INFORMATION ACT 1982

From: Shanon Tapp
Sent: Thursday, 8 June 2023 9:28 AM
To: Mark Fraser ; Sarah Anderson ; Nathan Palmer
Cc: Angela Jones ; Jodi Polkinghorne ; Tiana Mioceovich ; Donna Male
Subject: RE: Contract Extension Paper & Presentation

Similar to mark below:

In the background, maybe a couple of points :

- As noted previously, Significant effort was already being made prior to the extension process by the Alliance to re-set and align with Kāinga Ora's expectations.
 - o Full re-measure of all Projects to provide accurate forecasting
 - o Pro-active engagement and investment of time and resource by Home Companies to improve performance

Pg 8: It sounds like it was a "cost reduction" exercise. It was a focus on productivity (this is a buzz word for the board and Andrew) efficiency and being a more deliberate and focused structure. Suggest wording:

- Kāinga Ora expressed concern regarding the size of the management team, and its efficiency, and therefore the cost of the Programme Target Outturn Cost (PTOC) relative to the Alliance Turnover.
- Significant effort has been made to review the structure of the Alliance to ensure it is right sized and efficient for the value that is expected.
- A new structure has been put forward that still provides the service, value and outputs required, however is significantly smaller and reduces the PTOC budget by approximately \$4M from last year

- As part of Commercial Alignment a review was undertaken of the Cost and Risk Allocation to ensure that all participants were aligned.
- It has been agreed that a Risk Allocation table will replace the Variation Benchmarking table within the contract.

Other than that its good

From: Mark Fraser Mark.Fraser@kaingaora.govt.nz>
Sent: Thursday, 8 June 2023 8:47 AM
To: Sarah Anderson Sarah.Anderson@kaingaora.govt.nz>; Shanon Tapp shanon.tapp@kaingaora.govt.nz>; Nathan Palmer Nathan.Palmer@kaingaora.govt.nz>
Cc: Angela Jones Angela.Jones@kaingaora.govt.nz>; Jodi Polkinghorne Jodi.Polkinghorne@kaingaora.govt.nz>; Tiana Miocevich Tiana.Miocevich@kaingaora.govt.nz>; Donna Male Donna.Male@kaingaora.govt.nz>
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Sarah,

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1. I have nothing for the cover paper other than a missing full stop :-)
2. The Presentation uses some acronyms that the readers won't know. OIM and NOP. Could you comb for use of terms and jargon we know but they don't and make clear and easy for the reader.
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I'm available today to review or if you have any questions.

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s 9(2)(a)

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Regards,

Mark.

Mark Fraser

General Manager, Urban Development and Delivery

Kainga Ora Homes and Communities

s 9(2)(a)

Out of Scope

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STAGE 1 & 2 CONTRACT EXTENSION UPDATE

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15 May 2023

FEBRUARY 2023 - STAGE 1 SUBMISSION CONTENT & PRESENTATION TO KĀINGA ORA

Right leadership + right-sized team +
right culture + focus & direction = **right outcomes**

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Our Journey to Date

SCALE AND PACE

SUPERLOT DELIVERY

FY 2021



TARGET



DELIVERED



Piritahi

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HEALTH SAFETY AND WELLBEING – KPIs and INITIATIVES

TARGETS (KPIs)

- >20% reduction in LTI's, MTI's and RWI's
- Leadership driving safety culture – 40 specific safety improvements
- Critical risk reduction audit > 90%

WAYS OF WORKING

"Better Planning"

- AMT led pre-construction focus
- NO physical work until EPAs received
- No build partners
- HSbD



VISIBLE LEADERSHIP AND SAFETY SYSTEMS

- Alliance leadership driving safety culture
- Clear expectations linked to KPI's
- Simplified H&S systems

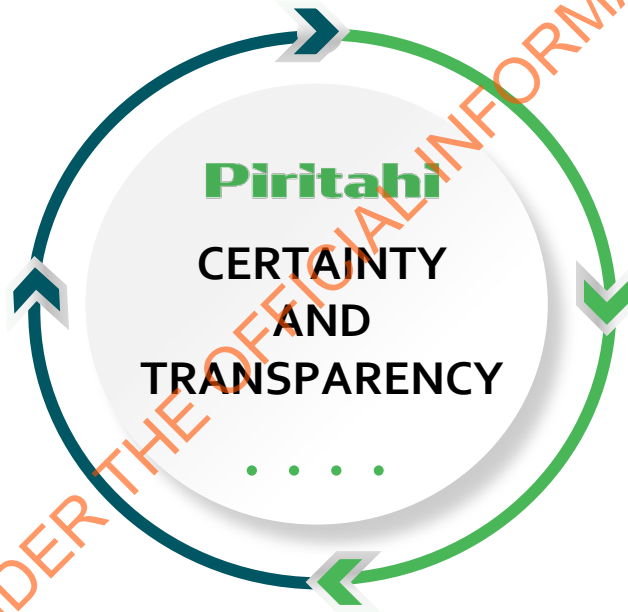
REDUCING EXPOSURE TO CRITICAL RISKS

- Strive to eliminate critical risks
- Verifying risks and controls
- Stop / reassess as works change

COST AND PROGRAMME MANAGEMENT

KPIs

- Current TOCs holding EFC
- Future TOCs neutral pain/gain
- 95% of TOCs delivered on time
- Kāinga Ora satisfaction result



CULTURE CHANGE

- Business Owner Mindset
- Training and Accountability
- AMT Driving Cost and Programme

Piritahi

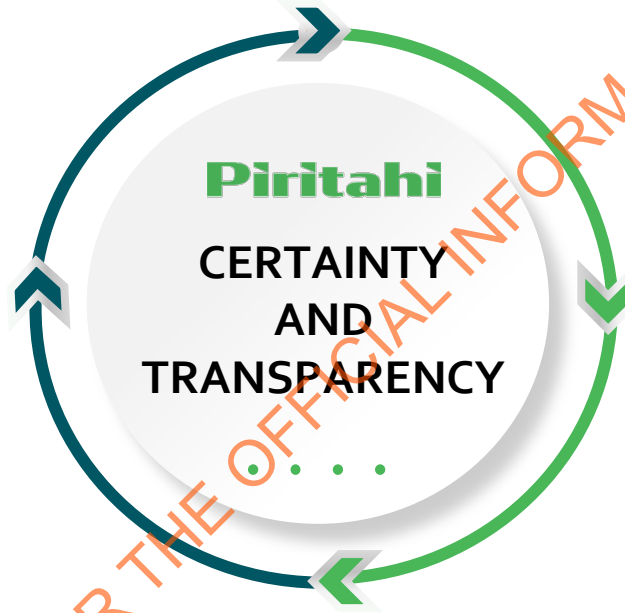
COST AND PROGRAMME MANAGEMENT

COST

- Consistent Format

PROGRAMME

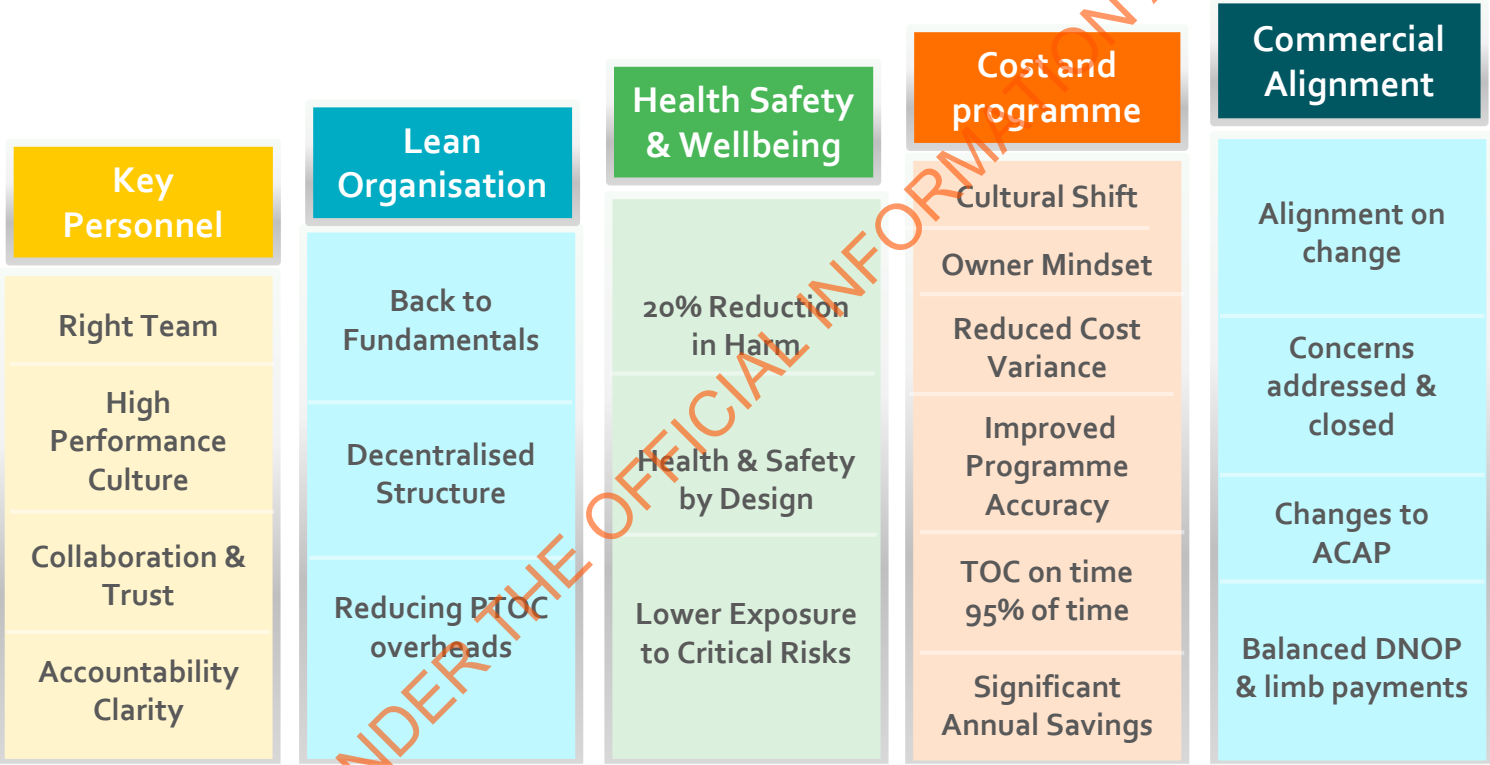
- Design & Construction Integrated Programme



Piritahi

- Accountability
- Change Control Process
- Combined Project Report
- Monthly Reviews

Our Commitment to High Performance by Feb 2024



High Performance Alliance Delivering SCALE AND VALUE to Kāinga Ora

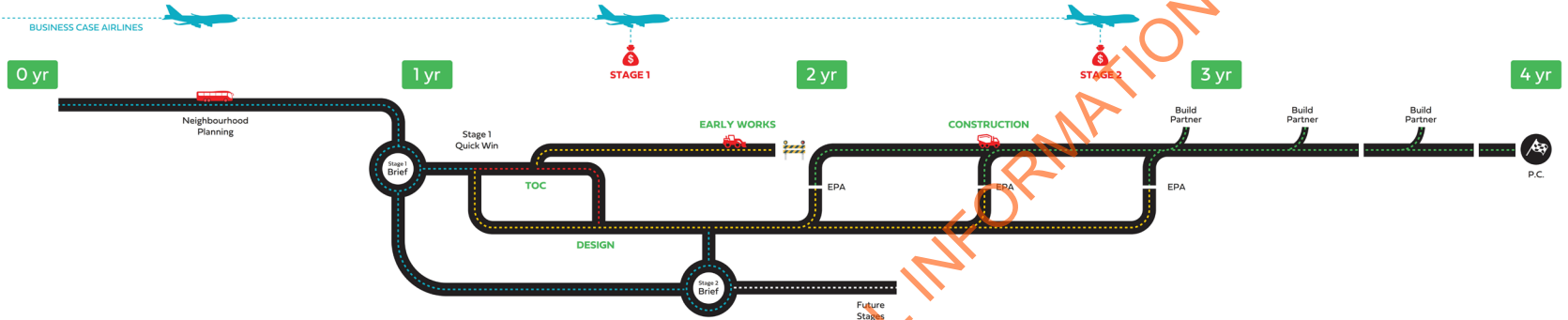
Right leadership, right mindset & focus, right direction, **right outcomes**

MARCH 2023 - STAGE 2 SUBMISSION CONTENT & PRESENTATION TO KĀINGA ORA

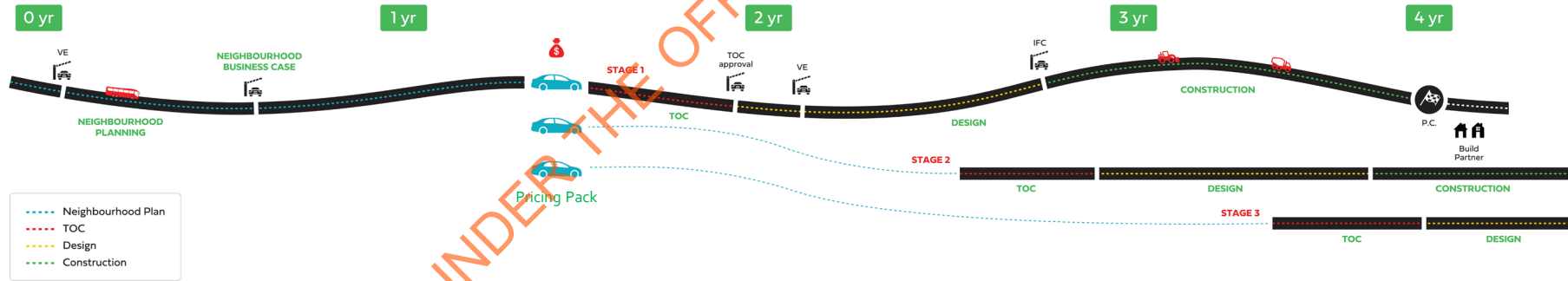
Benefits + Commitments = **Improved Performance**

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CURRENT NEIGHBOURHOOD LIFECYCLE



2023 NEIGHBOURHOOD LIFECYCLE



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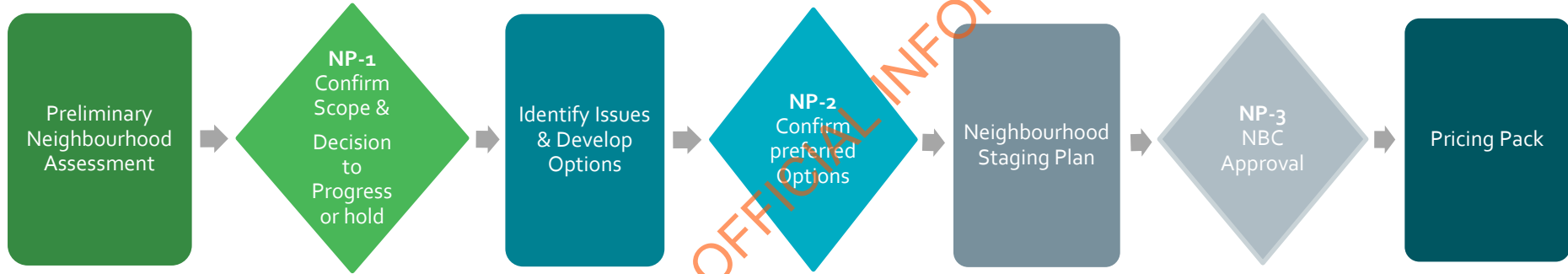
Value for Money - Neighbourhood Planning

INITIATIVE: DEVELOP A FIT FOR PURPOSE NEIGHBOURHOOD PLANNING PROCESS



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Neighbourhood Planning



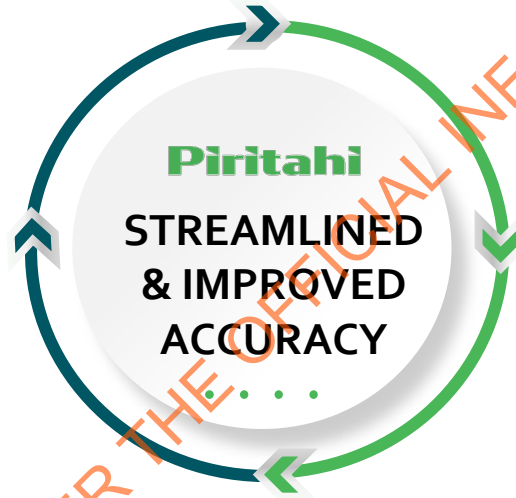
Piritahi

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TOC DEVELOPMENT

Initiatives:

1. TOC PRICING PACK
2. STREAMLINED TOC PROCESS
3. INCREASED ACCURACY OF TOC ESTIMATE



KEY BENEFITS

Significant reduction in TOC Development Phase Timeframe

Policy Decisions

Simplification & Education

Feedback loop on constraints experienced

Piritahi

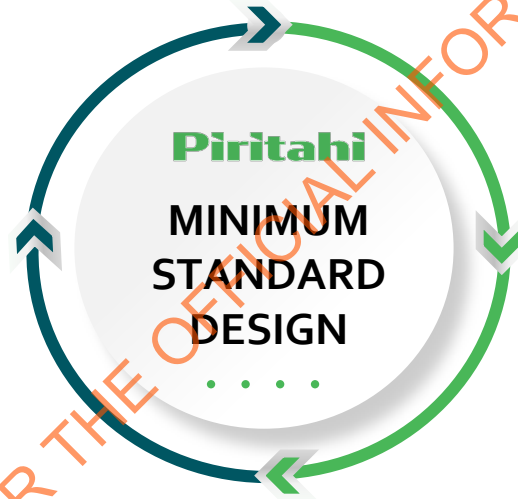
KPI: AVERAGE TOC DEV PHASE 12 / 16 WEEKS

Value for Money - Detailed Design

INITIATIVE: ENSURE OUR DESIGNS ARE AT THE MINIMUM STANDARD AND FIT FOR PURPOSE

VALUE ENGINEERING,
CONSTRUCTABILITY &
CHANGE MANAGEMENT

WORKING WITH
COUNCIL ORGANISATIONS



DESIGN GATE REVIEWS
& QUALITY

STANDARD AND
CONSISTENT DESIGN

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Value for Money - Construction

INITIATIVE: BETTER PLANNED AND CONTROLLED ENVIRONMENT

Getting Control =
Managing Interface



Reduce Time Related Cost

Self Improvements



HARD GATES

- IFC prior to starting on site
- Build Partners after PC
- Full Superlot works

Piritahi

BENEFITS

- 5% increase in productivity
- Less overall time on site



Collaboration

INITIATIVE: PIRITAHĪ ALLIANCE HIGH PERFORMANCE PLAN

- AMT Leadership Capability
- Open and Transparent communication
- Constructive Collaborative Culture
- Stage 1 & 2 Accountability



Kāinga Ora Collaboration

- Early involvement in neighbourhood planning
- Understand alliance principles
- Build partners

Constructive and Collaborative Culture

s 9(2)(a)

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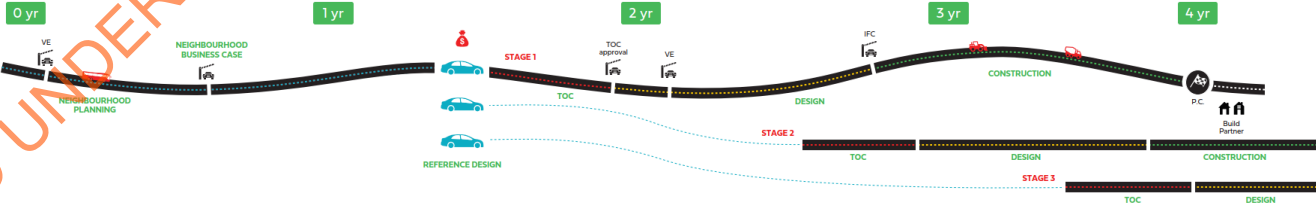
Recap Stage 1 and 2

Stage 1:

- Key Personnel
- Cost and Programme
- Health and Safety
- Commercial Alignment

Stage 2:

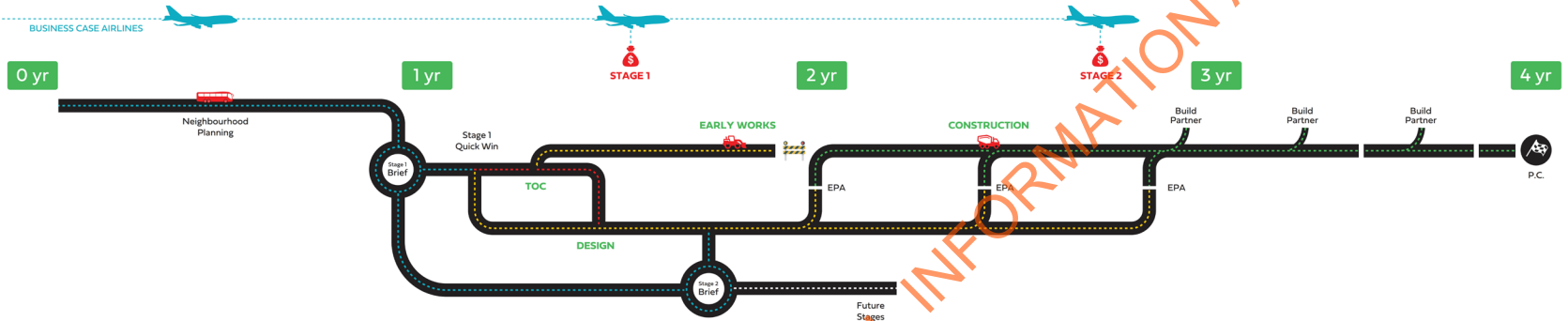
- Design and Construction Productivity
- TOC Development
- Collaboration



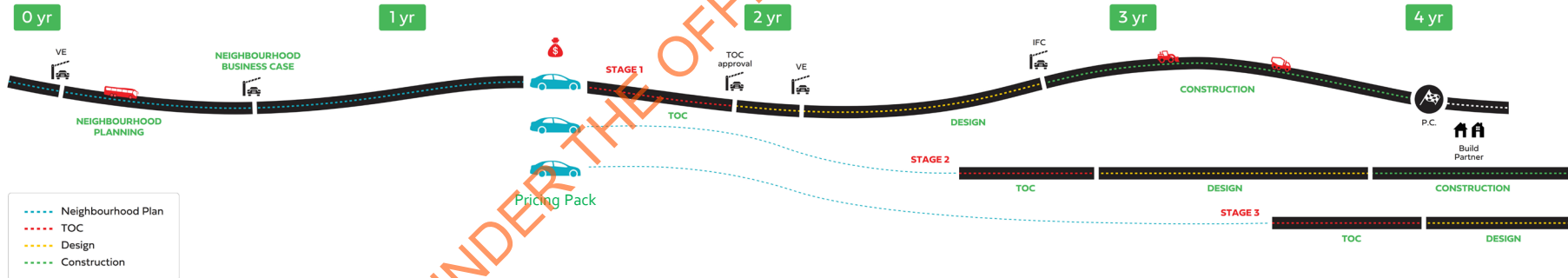
STAGE 3 – MANAGEMENT PLANS

Management Plan	March	April	May	June	July	August
Programme Governance Plan				Final document		
Design Management Plan				Final Document		
Construction Management Plan			Final Document			
Risk Management Plan					Final document	
Health, Safety and Wellbeing Management Plan				Final document		
Quality Management Plan				Final document		
Programme Systems Plan					Final document	
People and Culture Plan			Final Document			
Stakeholder and Communications Management Plan	Approved					
Environmental Management Plan					Final Document	
Handover Management Plan					Final Document	
TOC Management Plan					Final document	
Owner Interface Management Plan	Approved					
High Performance Management Plan			Final Document			
Change Management Plan			Final document			
Commercial Management Plan				Final document		

CURRENT NEIGHBOURHOOD LIFECYCLE



2023 NEIGHBOURHOOD LIFECYCLE



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From: Mark Fraser [mailto:Mark.Fraser@kaingaora.govt.nz]

Sent: 8 June 2023 08:46

To: Sarah Anderson [mailto:sarah.anderson@kaingaora.govt.nz], Shanon Tapp [mailto:shanon.tapp@kaingaora.govt.nz], Nathan Palmer [mailto:Nathan.Palmer@kaingaora.govt.nz]

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Sent: 16 June 2023 08:34

To: Shanon Tapp [mailto:shanon.tapp@kaingaora.govt.nz], Nathan Palmer [mailto:Nathan.Palmer@kaingaora.govt.nz], Sarah Anderson [mailto:sarah.anderson@kaingaora.govt.nz], Neil Mayo [mailto:Neil.Mayo@kaingaora.govt.nz]

Subject: In Confidence- Piritahi Extraordinary Escalation - draft

Team, see my thoughts below. This is a brain dump getting it off my chest. Nathan, I know that you are going to put some numbers together, maybe that helps.

If we are going to say no we will have to say why, this is what I'm doing below. I'm not saying this should be used/sent but I'm putting the idea out there as a conversation starter.

s 9(2)(a)

The Piritahi PAB paper titled [CHECK] and the discussion of Thursday 15 June, was seeking PAB approval of a variation for consequential costs post Covid and mitigation for the the extraordinary escalation that has occurred in the economy the last couple of years, including the construction sector, over and above those costs already paid by Kainga Ora.

The PAB did not reach agreement as there is a split between the NOPs (in support) and the owner participant (against).

During and since covid the commercail position of the alliance is worse than it would have been had the pandemic and particularly had the high inflation of recent years not occurred. This is not in dispute. It is also clear that the causes were beyond the control of the alliance. However, once known there was opportunity for the alliance to manage them and with hindsight it did not manage as aggressively as it perhaps should have.

The paper presented to the PAB goes to some effort to explain the quantum of the commercail impacts, although I note that it does not provide a worked example from a TOC from the period in question, despite repeated requests by Kainga Ora for such an approach. We can only presume because it is not possible or it does not support the argument.

As I point out above, that there has been a negative commercail impact on the alliance of events of the last few years is not in dispute. The question that needs to be answered and is not, is why is the impact a client risk and not an alliance risk? A core principle of alliancing is risks are placed where they

can be best managed and then having done so they are then shared. While events in question are unprecedented, they were in the right place for their management and there were shared. Kainga Ora has already paid direct cost arising from the pandemic that could not have been foreseen.

This discussion on extra ordinary escalation being a variation has been running for well over a year and despite the effort applied to it, the case remains weak. For that reason Kainga Ora does not accept the proposal for a variation and the removal of the historical risk from the alliance.

We acknowledge that as profit making businesses it is commercially rational for the NOPs to seek betterment on a negative commercial position. Perhaps even more so given the negative overall position the alliance is currently in. However, as we all know the performance of the alliance to date has been well below acceptable and we've all had a part to play in this. We have worked hard and constructively to turn it around and set a path for future success. In doing this and resolving some historical issues, including many commercial ones, Kainga Ora have been fair and at times perhaps even generous, reducing some of the negative commercial impacts on NOPs of poor to date performance.

Next week we sign a contract extension of five years for Piritahi, where despite the performance issues to date, Kainga Ora is backing its future and is confident that it will be successful. The work done by the NOPs and the alliance has provided this confidence. The work ahead within that extension is in the order of \$1 billion of design and civil construction activity and Piritahi will be asked to deliver the vast majority of it. We consider the protracted and poorly articulated request for commercial betterment that is the focus of this variation, and its timing relative to our reconfirmed future, poor judgement by the NOPs and inconsistent with alliancing principles. I reiterate that Kainga Ora's answer is no.

I hope this clear and final position from Kainga Ora on this matter can be accepted and that we can all move forward and work on our future, including making it commercially successful for all parties.

Regards,

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We acknowledge that as profit making businesses it is commercially rational for the NOPs to seek betterment on a negative commercial position. Perhaps even more so given the negative overall position the alliance is currently in. However, as we all know the performance of the alliance to date has been well below acceptable and we've all had a part to play in this. We have worked hard and constructively to turn it around and set a path for future success. In doing this and resolving some historical issues, including many commercial ones, Kainga Ora have been fair and at times perhaps even generous, reducing some of the negative commercial impacts on NOPs of poor to date performance.

Next week we sign a contract extension of five years for Piritahi, where despite the performance issues to date, Kainga Ora is backing its future and is confident that it will be successful. The work done by the NOPs and the alliance has provided this confidence. The work ahead within that extension is in the order of \$1 billion of design and civil construction activity and Piritahi will be asked to deliver the vast majority of it. We consider the protracted and poorly articulated request for commercial betterment that is the focus of this variation, and its timing relative to our reconfirmed future, poor judgement by the NOPs and inconsistent with alliancing principles. I reiterate that Kainga Ora's answer is no.

I hope this clear and final position from Kainga Ora on this matter can be accepted and that we can all move forward and work on our future, including making it commercially successful for all parties.

Regards,

Mark.

Mark Fraser
General Manager, Urban Development and Delivery
Kainga Ora Homes and Communities
s 9(2)(a)

Out of Scope

-----Original Message-----

From: Mark Fraser [mailto:Mark.Fraser@kaingaora.govt.nz]

Sent: 23 June 2023 11:56

To: Shanon Tapp [mailto:shanon.tapp@kaingaora.govt.nz], s 9(2)(a)

Subject: Re: IPEWA AWARDS

CAUTION: External email. Do not click or open attachments unless you recognise the sender and know the content is safe. If unsure use the Report Phishing button.

Could s 9(2)(a) and s 9(2) present to the Kainga Ora Board when they meet them in July?

Regards,

Mark.

Mark Fraser
General Manager, Urban Development and Delivery
Kainga Ora Homes and Communities
s 9(2)(a)

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-----Original Message-----

From: Shanon Tapp [mailto:shanon.tapp@kaingaora.govt.nz]

Sent: 5 July 2023 13:04

To: Sarah Anderson [mailto:sarah.anderson@kaingaora.govt.nz], Mark Fraser [mailto:Mark.Fraser@kaingaora.govt.nz]

Subject: RE: IDC Briefing

Hi Sarah,

This is good.

Mention the IPWEA award. This helps with the "Innovation" conversation. I've let John Bridgeman know anyway, but be cool for s 9(2) to note it.

We need to support the Alliance with their role, and not confusing it with the wider KO remit. Focus on the Construction Plus & sustainability stuff. Maybe Waste Minimisation and house relocations? Let s know that the little innovation stuff is of high value. So feel free to through some small ideas in there.

Other than that, its really good.

I'm happy to come and have a cuppa with Mark/you and catch up if you guys feel its useful

Ta
Shanon

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-----Original Message-----

From: Mark Fraser [mailto:Mark.Fraser@kaingaora.govt.nz]

Sent: 5 July 2023 13:27

To: Shanon Tapp [mailto:shanon.tapp@kaingaora.govt.nz], Sarah Anderson [mailto:sarah.anderson@kaingaora.govt.nz]

Subject: Re: IDC Briefing

I'm with Shanon. Good plan. Don't speed too much time on the wider stuff but you probably need to cover it as they will ask. Could s 9(2)(a) bring the big award and present it to the board?

Regards,

Mark.

Mark Fraser
General Manager, Urban Development and Delivery
Kainga Ora Homes and Communities
s 9(2)(a)

From: Shanon Tapp
Sent: Wednesday, July 5, 2023 1:04:35 PM
To: Sarah Anderson ; Mark Fraser
Subject: RE: IDC Briefing

Hi Sarah,

This is good.

Mention the IPWEA award. This helps with the "Innovation" conversation. I've let John Bridgeman know anyway, but be cool for s 9(2) to note it.

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Let s 9(2) know that the little innovation stuff is of high value. So feel free to through some small ideas in there.

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Ta
Shanon

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