

Property and Asset Management Requirements

1. **General:** The Provider is to maintain all Properties in accordance with:
 - (a) all requirements set out in the Relationship Agreement and relevant Service Agreement;
 - (b) all relevant legislative requirements (including those ascertained from the Residential Tenancies Act, the Housing Improvement Regulations 1947 and the Residential Tenancies (Smoke Alarms and Insulation) Regulations 2016);
 - (c) the standards and requirements applicable to a Class 1 Social Landlord;
 - (d) the requirements of the New Zealand Building Code;
 - (e) all applicable New Zealand Fire Service requirements;
 - (f) all relevant approved codes of practice; and
 - (g) all applicable AS/NZS standards.
2. **Specific:** The Provider is to ensure:
 - (a) **Interior hardware:**
 - (i) that all hardware in each Property is functional at all times. This requirement shall include all:
 - (A) windows, cupboards and doors;
 - (B) window, cupboard and door catches and latches; and
 - (C) towel rails.
 - (ii) that, at all times, there is a functioning, appropriate privacy lock on all toilet and bathroom doors, with each such lock also being capable of being unlocked from the outside of the room.
 - (b) **Window safety from falling:** that all windows above ground level are fitted with appropriate security stays (for timber windows) or appropriate restrictor stays (for aluminium windows) that are functional at all times.
 - (c) **Stove security:**
 - (i) that all stand-alone stoves at all times have an appropriate, fully functioning anti-tip device and drop bolt fitted and operating as intended.
 - (ii) that built-in ovens are adequately restrained.

- (d) **Hot water cylinder seismic restraint:** that appropriate hot water cylinder seismic straps are present and securely fitted at all times.
- (e) **Gas fittings:**
 - (i) that all gas fittings and appliances (if any) are complete, undamaged, safe and fully functional at all times.
 - (ii) that all gas fittings and appliances must be inspected and certified by a person authorised to perform such activities in accordance with the Plumbers, Gasfitters and Drainlayers Act 2006.
 - (iii) a gas inspection report on each Property that has any gas fittings, is provided to MSD, at least every 36 months, which report must:
 - (A) clearly state that all gas fittings and appliances in that Property are complete, undamaged, safe and fully functional; and
 - (B) include a copy of the certificate(s) of inspection from a person authorised in accordance with the Plumbers, Gasfitters and Drainlayers Act 2006 covering all gas fittings at that Property.
- (f) **Curtains:** that curtains and curtain tracks are fitted, appropriate, complete, fit for purpose, functional and operational on the full extent of all windows in all living rooms, dining rooms and bedrooms. Curtains and tracks may be excluded from kitchens, bathrooms, toilets, stairs and hallways.
- (g) **Childproof storage:** that adequate childproof storage space is provided in each kitchen, bathroom and laundry, including:
 - (i) in kitchens, childproof catches must be present and functional on all under-sink cupboards;
 - (ii) in bathrooms, a vanity is not considered childproof unless childproof catches are fitted, and a shaving cabinet must have childproof catches; and
 - (iii) in laundries, a shelf is acceptable if it is higher than 1.2m above floor level, otherwise a childproof catch is required on a laundry cabinet.
- (h) **Doors and windows:** that all exterior doors and windows, including flashings, locks, hinges and hardware, are all present, fully functioning and sealing well. Each Property must be weathertight.
- (i) **Entry lighting:**
 - (i) that each front entry and each rear entry has appropriate exterior lighting fittings present and fully functional at all times.
 - (ii) that while replacing blown bulbs in the light fittings shall generally be a Tenant obligation, all exterior lighting is fully functional and operational at the commencement of every new Tenancy.

3. **Asset management:** The Provider is to:

(a) **Whole of life solution:**

- (i) ensure it provides and implements a robust and reliable whole of life solution to the Properties that supports the operation and maintenance of the Properties;
- (ii) adopt a proactive process of continuous improvement and innovation to provide either cost, performance or added-value advantages to both parties and demonstrate continuous improvement and cost effectiveness in the performance of the Services as they relate to the Properties;
- (iii) at no additional cost to MSD, provide timely advice to MSD once every Year and at MSD's request (acting reasonably) on any innovations that may allow MSD to improve its capabilities, efficiency and economy in obtaining, integrating, utilising and managing the Services as they relate to the

Properties and similar services provided at other Public Housing properties;
and

- (iv) focus its asset management activities in accordance with the Asset Management Plan in order to achieve:
 - (A) a cost effective balance between:
 - (I) preventative maintenance;
 - (II) planned asset refurbishment; and
 - (III) asset replacement;
 - (B) minimised interruption to the tenancy of Tenants through:
 - (I) preventative maintenance;
 - (II) planned asset refurbishment; and
 - (III) reduced reactive maintenance tasks; and
 - (C) optimised asset performance and availability through:
 - (I) planned preventative maintenance;
 - (II) condition-based maintenance and replacement;
 - (III) procurement of materials and assets;
 - (IV) planned acquisitions, disposals and reconfigurations that respond to changing housing needs; and
 - (V) planned asset overhauls where appropriate.
- (b) **Asset management planning:** provide asset management services for the Properties that:
 - (i) ensure that at all times the Properties' physical assets meet or exceed the Asset Condition Standards;
 - (ii) deliver a planned approach for asset renewal and replacement throughout the Contract Term, based on quantitative condition assessment;
 - (iii) allow for flexibility and changes over time in the provision of the Services, the assets and the Properties;
 - (iv) ensure continuous improvement in asset management performance;
 - (v) utilise an approach based on the suite of ISO55000 standards on asset management and New Zealand Asset Management Support (**NAMS**)

documents (including the NAMS Property Manual and the International Infrastructure Management Manual 2015 Edition) (or equivalent approach) in relation to asset condition and Asset Condition Surveys and audits; and

- (vi) collect asset condition and maintenance history information to facilitate the management of accurate life-cycle plans and maintenance works.

4. **Planned maintenance, repairs and defects:** The Provider is to:

(a) **Maintenance and repairs:**

- (i) **Planned maintenance:** carry out planned maintenance (including both scheduled lifecycle maintenance and routine cyclical maintenance) by implementing those parts of the Asset Management Plan and the Policies concerned with planned maintenance and otherwise in accordance with the terms of the Relationship Agreement and/or the relevant Services Agreement;
 - (ii) **Unscheduled repairs and rectification works:** undertake all required unplanned repairs, rectification works or defect correction in accordance with the Asset Management Plan, the Policies and the Operational Manual;
- (b) **Defects:** rectify all defects, whether notified to the Provider by MSD, a Public Housing Client or otherwise, and all defects that come to its attention through performing the Services or through any other channel, in accordance with the processes and timeframes set out in the Operational Manual or otherwise in accordance with the methodology and schedule set out in its Asset Management Plan.

5. **Asset condition and Asset Condition Surveys**

- (a) **Asset condition:** From the Commencement Date of a Services Agreement, the Provider is to undertake all required asset management and lifecycle management with respect to every Property to ensure that the Asset Condition Standards are met at all times.
- (b) **Asset Condition Surveys:**
 - (i) Each Asset Condition Survey undertaken by (or on behalf of) MSD or the Provider is to assess whether the relevant Property has been and is being remediated and maintained by the Provider in accordance with:
 - (A) the Asset Condition Standards;
 - (B) the Asset Management Plan;
 - (C) these Property Management Requirements;
 - (D) the Operational Manual; and
 - (E) the Provider's other obligations under the Relationship Agreement and any Services Agreement.



- (ii) The Provider is to carry out an Asset Condition Survey in relation to each Property, and produce a report on that Asset Condition Survey in accordance with the timeframes specified in the Asset Management Plan. The Provider is to submit a copy of every Asset Condition Survey report to MSD promptly upon request.
- (iii) MSD shall be entitled to carry out Asset Condition Surveys, or to procure the carrying out of Asset Condition Surveys by an independent expert, at MSD's discretion during the Contract Term, acting reasonably.
- (c) **Notification:** MSD shall notify the Provider in writing a minimum of 20 Business Days in advance of the date it wishes to carry out or procure the carrying out of an Asset Condition Survey.
- (d) **Parties' obligations:** Where MSD carries out or procures the carrying out of an Asset Condition Survey, MSD shall use its reasonable endeavours to minimise any disruption to Public Housing Clients and to the provision of the Services by the Provider. The Provider shall (free of charge) afford MSD and any independent expert carrying out an Asset Condition Survey any reasonable assistance required by that person during the carrying out of that Asset Condition Survey, including obtaining Public Housing Client consent and exercising its rights under the Residential Tenancies Act.
- (e) **Results of Asset Condition Survey:** If any Asset Condition Survey shows that the Provider has not complied with or is not complying with any of its obligations under these Property Management Requirements and/or the Relationship Agreement or any Services Agreement for the maintenance of the Properties to the required standard, then MSD shall be entitled:
 - (i) to notify the Provider of the rectification and/or maintenance work required to bring any Property up to the required standard;
 - (ii) to specify a reasonable period within which the Provider is to carry out such rectification and/or maintenance work; and
 - (iii) to recover the cost of the applicable Asset Condition Survey from the Provider, as moneys owing to MSD.
- (f) **Provider is to perform outstanding work:** The Provider shall carry out such outstanding work notified under paragraph 5(e) in order to reach the required standard within the period specified, and any costs it incurs in carrying out the outstanding work shall be at its own expense.
- (g) **Failure to undertake outstanding work:** If the Provider fails to complete such outstanding work in order to reach the required standard within the period specified, MSD shall be entitled to undertake, or to procure the undertaking of, such outstanding work and to recover all costs incurred by it (including administration costs) in doing so from the Provider, as moneys owing to MSD.

6. **Information, records and data management:** The Provider is to:
- (a) manage and store in a secure central repository all manuals, compliance certificates, warranty information and performance records, in a manner that conforms with the requirements of the Public Records Act and that is compatible with MSD's systems;
 - (b) administer plans of the Properties to help capture physical changes occurring to the Properties, including new builds, refurbishments, additions, re-designs, reconfigurations, asset commissions and decommissions;
 - (c) maintain a common standard of layering, symbols and measurement, including gross and net internal areas;
 - (d) ensure suitable document management practices are in place, including maintaining any information relevant to asset management;
 - (e) maintain all asset and property data relating to the Properties;
 - (f) maintain performance and logbooks for all assets;
 - (g) ensure that performance data is not amended, deleted or destroyed unless prior written authorisation is provided by MSD's Representative and, where such authorisation is provided, prepare, record and retain:
 - (i) details of the unamended item of performance data;
 - (ii) the exact nature and impact of the amendment, deletion or destruction;
 - (iii) details of the item of performance data amended, deleted or destroyed;
 - (iv) the reason given for the amendment, deletion or destruction;
 - (v) the date and time of the amendment, deletion or destruction;
 - (vi) details of the person who amended, deleted or destroyed the relevant item of performance data; and
 - (vii) details of the authorisation of the amendment, deletion or destruction of the relevant item of performance data;
 - (h) prepare and supply all information reasonably required by MSD or any person, firm, governmental entity or other body to whom MSD is obliged to present information at any time in relation to the performance of any of the Services in relation to the Properties;
 - (i) maintain a principal system (or systems) that contains all data and records relating to the Properties, including all asset information, systems and processes, performance results, asset performance data, historical information, warranties, manuals, details of monitoring compliance with any Consents, all helpdesk records and all job logs; and

- (j) provide to MSD, within two Business Days of request by MSD, a true, accurate and complete copy of any data, records or other information MSD requests from time to time.

7. **Helpdesk and inspections:** The Provider is to:

(a) **Helpdesk:**

- (i) provide a comprehensive 24/7 telephone contact point in accordance with the requirements of the Operational Manual.
- (ii) respond to, and permanently rectify, all defects in relation to the Properties.

(b) **Property inspections:** The Provider is to:

- (i) ensure that it undertakes a property inspection on each Property not less than once every six months. Each such property inspection must ascertain all visible and notified defects (including damage). Property inspections may be, but are not required to be, undertaken at the same time as the tenancy elements of an inspection are undertaken in accordance with the Tenancy Management Requirements; and
- (ii) immediately on completion of each tenancy element and each property inspection element of an inspection undertaken in accordance with the Tenancy Management Requirements, log with the helpdesk any defects or other jobs relating to that Property or a Tenant that require rectification by, or attention from, the Provider.

8. **Definitions and interpretation**

- (a) **Definitions:** In these Property Management Requirements, unless the context otherwise requires:

Asset Condition Standards means:

- (i) with respect to each individual Property, an average condition rating of 3 or better for the components of that Property (assessed in accordance with the International Infrastructure Management Manual (IIMM) 2015 Edition (as used by the New Zealand Asset Management Support group (NAMS)) at all times during the Contract Term; and
- (ii) with respect to the full portfolio of Properties that are the subject of the Relationship Agreement, an average condition rating of 2 or better (assessed in accordance with the International Infrastructure Management Manual (IIMM) 2015 Edition (as used by the New Zealand Asset Management Support group (NAMS)) at all times during the Contract Term,

with the average condition ratings being a weighted average of the NAMS rating of each individual component in a Property, based on the replacement cost of each individual component;

Asset Condition Survey means each survey undertaken in accordance with paragraph 5(b) of these Property Management Requirements in order to ascertain whether the Provider has complied with its obligations in relation to the remediation, maintenance and refurbishment of the Properties;

Asset Management Plan means the asset replacement, maintenance and refurbishment plan for the Properties and each update or revision of that plan prepared and submitted to MSD and approved by MSD prior to the Commencement Date of the relevant Services Agreement;

Policies means the policies and procedures applicable to the operation and management of the Services to be prepared and provided to MSD and approved by MSD prior to the Commencement Date of the relevant Services Agreement, and that must include:

- (i) a programme that sets out the manner in which the Provider will monitor its own performance in its delivery of the Property Management Services and Tenancy Management Services; and
- (ii) all the other documents and information required to be prepared and included as a Policy in accordance with the requirements of the Operational Manual and these Property Management Requirements and the Tenancy Management Requirements; and

Relationship Agreement means the Relationship Agreement for Provision of Public Housing and Associated Services entered into by the Crown and the Provider.

- (b) **Interpretation:** capitalised terms used but not defined in these Property Management Requirements shall have the meaning given to them in the Relationship Agreement, or the meaning given to them in the relevant Services Agreement (as applicable).