

# Contract Partnering Agreement

Name of project: \_\_\_\_\_

This agreement sets out how \_\_\_\_\_ and \_\_\_\_\_  
(the parties) will work together to follow the Construction Sector Accord principles and contribute to the Accord outcomes.

The purpose of this agreement is to guide contract negotiations and set the foundations for a good relationship by outlining expectations for how parties will behave through the life of the contract. This will help to ensure the above project is set up for success for all parties involved — including subcontractors and other stakeholders. The parties will adhere to the principles and outcomes below, and will do so by following the recommended actions:

## 1. Risk allocation

**Guiding Accord principles and outcomes:** Building trusting relationships. Fair and transparent on the value and allocation of risk. Trusted and respected professions.

**Recommended action** – each contract should have:

- a risk allocation framework drafted by the procurer, and agreed with the supplier
- a minimal number of special conditions
- a fully independent engineer to the contract appointed
- provisions for fair and efficient dispute resolution

## 2. Payments

**Guiding Accord principles and outcomes:** Acting with empathy and respect. Stable, healthy and more productive construction sector.

**Recommended action** – each contract should:

- ensure risks to subcontractors are as clear and transparent as possible to the whole supply chain
- seek to achieve the government's target of 95% of domestic invoices paid within 10 working days
- ensure retention money for contractors or subcontractors is held in trust in a separate named account and monthly reporting is provided

For projects looking to 'fast-track' delivery using a rapid mobilisation model:

- government entities should engage with MBIE and the Infrastructure Commission to ensure that the recommended form of contract is used, and builds on partnership methodologies, which may include an open-book agreed margin and/or shared risk (eg alliance) options
- non-government entities managing commercial projects should engage with other Construction Accord leaders such as the Property Council and other industry representative groups for advice and guidance.

## 3. People

**Guiding Accord principles and outcomes:** Fostering careers, job security, embracing diversity, better outcomes for Māori

**Recommended action** – consider targets and monitoring for:

- workforce diversity – including supporting initiatives to increase the number of women working on projects and the upskilling and employment of Māori and Pasifika through job training or vocational education
- increasing the number of apprentices or cadets employed or graduating
- redeployment of workers within the construction sector and from other sectors where appropriate

Businesses engaged in the project should:

- have a documented employee training plan
- have at least one employee in a formal training agreement
- commit to relevant initiatives in the Construction Skills Action Plan with a view to retaining and increasing skills

#### 4. Health, safety and wellbeing

**Guiding Accord principles and outcomes:** Prioritise health, safety and wellbeing. Create an environment that supports thriving mental health. Increase productivity. Increase capability.

**Recommend actions** – consider targets and monitoring for:

- embedding safety in design principles
- embedding health and safety (including COVID-19 related risks) in line with the Construction Health and Safety New Zealand (CHASNZ) client leadership programme and contract outcomes
- adopt CHASNZ site entry requirements as the minimum standard for entering sites
- thriving worker mental health and wellbeing

#### 5. Environment

**Guiding Accord principles and outcomes:** Prioritising environmental sustainability. Promoting sustainable construction practices. Producing sustainable buildings and infrastructure. Restore confidence and pride in the sector.

**Recommended action** – include targets and monitoring for:

- design approach, construction methods and product/materials selection that minimise carbon production and ecosystem impacts, and significantly reduce waste generation
- whole-of-life decision making in project design and construction

By signing, we agree to commit to this Partnering Agreement and to ensuring it is reflected in the contract. We agree to monitor how this agreement is implemented through the life of the contract. We agree to be fair, transparent and collaborative in our negotiations and to act in such a way as to support the success of the project for all parties.

**Client**

Name \_\_\_\_\_ Signature \_\_\_\_\_

**Contractor**

Name \_\_\_\_\_ Signature \_\_\_\_\_