



MORRISON&CO

## **New maximum security facility Auckland Prison**

On 7 October 2015 Corrections Minister Peseta Sam Lotu-liga officially launched the construction of a new maximum-security facility at Auckland Prison. The Auckland Prison Project is a Private-Public Partnership (PPP) between the Department of Corrections (Corrections) and Next Step Partners (NSP). A contract with Next Step Partners (NSP) was signed on 11 September 2015 to design, build and maintain the facility for 25 years.

- Under the PPP structure the operation of the prison and custody of prisoners will continue to be the responsibility of the Department of Corrections.
- Construction is expected to be completed by the end of 2017 and the facility operational by mid-2018.
- The \$300 million redevelopment will contain up to 260 maximum-security prisoners, the same capacity as the existing facility.
- The design, construction, finance and maintenance for 25 years of a new maximum security facility
- The maintenance of the existing Auckland Prison West Facility for approximately 27 years (concurrent with the start of construction of the new facility)

NSP comprises Morrison & Co's PIP fund as long term investment partners, Fletcher Construction (Building and Interiors) undertaking design and construction and Cushman and Wakefield with responsibility for asset management. Westpac act as lenders to the project.

A single-source procurement model was used for the PPP bid-process, with NSP selected as sole bidder following the Expression of Interest (EOI) phase in December 2013. To ensure Corrections received the highest quality and most cost effective solution NSP worked with Corrections and Treasury to establish a bid process whereby parts of the consortium were selected via competitive tenders. The Asset Management/Facilities Maintenance bid was won by Cushman and Wakefield (formally DTZ) and the banks competition resulted in Westpac joining the consortium.

### **About PIP**

The PIP Fund was established by New Zealand infrastructure investment manager Morrison & Co to invest in Social Infrastructure Assets through PPPs. The Fund was raised from New Zealand based investors including the New Zealand Superannuation Fund and a number of local community trusts and institutional investors. In addition, the New Zealand Social Infrastructure Fund was established in 2010 to enable smaller New Zealand investors to participate in the PIP Fund. As manager of the PIP Fund, Morrison & Co works with central, regional and local government agencies, identifying opportunities to form partnerships to develop social infrastructure such as educational and healthcare facilities.