



Ministry of Transport: Aide Memoire

To: Hon Grant Robertson, Minister of Finance
Hon Phil Twyford, Minister of Transport / Housing and Urban Development
Hon David Parker, Minister for the Environment
Hon Shane Jones, Minister of Infrastructure
Hon Julie Anne Genter, Associate Minister of Transport

From: Amelia East, Project Director - Auckland Light Rail

Date: 16 October 2019

Subject: Auckland Light Rail update

OC Number: OC190989

Purpose of this Aide Memoire

1. This Aide Memoire provides an update on the Auckland Light Rail project in place of the meeting that was originally scheduled for 21 October.

Background

2. The commercial meetings between the lead team and the Respondents via the Interactive Engagement Process (IEP) have been progressing since August 2019 and we have had five meetings with each Respondent since. A further three meetings with each Respondent are scheduled before the bids are submitted on 29 November 2019.
3. Whilst the process necessarily restricts the level of detail we can go into, we have prepared a briefing (attached at appendix) which presents some points of interest from the IEP process.
4. These points are for you to be aware of, but none require decisions. They do however provide an early signal as to the types of issues that you may be asked to consider in early 2020 when asked for guidance on public policy trade-offs prior to a decision going to Cabinet on the Preferred Delivery Partner.

Funding paper

5. The Ministry of Transport is preparing a briefing paper on funding considerations for Auckland Light Rail and this will be provided to you in the near future.

Next Steps

6. The next MOG meeting is currently scheduled for the late November 2019.

Contact:

Amelia East, Project Director - Auckland Light Rail
Phone: [REDACTED]

Auckland Light Rail update for Ministerial Oversight Group 21 October 2019

Reason for this briefing	The Auckland Light Rail Ministerial Oversight Group (the Ministerial Group) was established to provide direction to officials on the Government's expectations and key outcomes for light rail. This briefing provides an update on the project in place of the Ministerial Group meeting on Monday 21 October 2019
Action required	The points raised in this briefing are for noting. No decisions are required.
Deadline	Friday 18 October 2019.
Reason for deadline	This briefing is timed to replace the Ministerial Group meeting scheduled for 21 October 2019.

Contact for telephone discussion (if required)

Name	Position	Telephone	First contact
Bryn Gandy	DCE- Strategy & Investment	██████████	
Amelia East	Project Director- Auckland Light Rail	██████████	✓

MINISTER'S COMMENTS:

Withheld to protect the privacy of natural persons

Date:	18 October 2019	Briefing number:	OC190989
Attention:	Hon Grant Robertson Hon Phil Twyford Hon David Parker Hon Shane Jones Hon Julie Anne Genter	Security level:	In confidence

Minister of Transport's office actions

- | | | |
|---------------------------------------|---|--|
| <input type="checkbox"/> Noted | <input type="checkbox"/> Seen | <input type="checkbox"/> Approve |
| <input type="checkbox"/> Needs change | <input type="checkbox"/> Referred to | |
| <input type="checkbox"/> Withdrawn | <input type="checkbox"/> Not seen by Minister | <input type="checkbox"/> Overtaken by events |

Purpose of report

1. This briefing provides an update for the Ministerial Group on the City Centre to Mangere (CC2M) Light Rail project in place of the cancelled 21 October 2019 meeting.
2. This briefing covers the following key items:
 - 2.1. **General project update**
 - 2.2. **Points of interest from the interactive engagement process (IEP) process**
3. All matters raised in this briefing are commercial in confidence and are for Ministers to note. No decisions are required.

Agenda item one: General project update

4. The CC2M Lead Team attended the fifth round of meetings with NZTA and NZ Infra, via the IEP, in the week of 7 October 2019. The Lead Team comprises Amelia East (Project Director), Bryn Gandy (DCE at MoT), Fiona Mules (Commercial Lead) and Sarah Sinclair (Legal Lead).
5. Key dates for the CC2M project are as set out below.

<i>Project milestones</i>	<i>Dates</i>	<i>Status update</i>
STAGE 1: Set up phase	7 June - 31 July 2019	Complete
STAGE 2: Proposal development		
Interactive Engagement Process	2 August – 15 November 2019	Underway
Proposals deadline	29 November 2019	
STAGE 3: Evaluation of proposals		
Ministry-led evaluation process	1 December 2019 – 10 February 2020	Planning underway
Draft Cabinet paper to Minister	By 28 February 2020	
Expected Cabinet decision	By Easter	

6. Due to the commercial sensitivity around the Response Requirements Document (RRD) process we are very constrained in terms of the information we can provide to media and stakeholders. However, with the Minister of Transport's office we have identified an opportunity at an Auckland Transport hosted stakeholder event on 30 October 2019 for the Transport Minister to present the project Outcomes as outlined in the RRD document.
7. These Outcomes were seen and agreed to by the Ministerial Group when the RRD was provided for feedback.
8. Planning is underway for Stage 3 of the project: Evaluation of Proposals. Once proposals are received on 29 November 2019, the Evaluation should be complete by early February 2020, with a recommendation to Ministers on the preferred delivery partner by the end of that month. We are hoping that the recommendations can be considered and decided by Cabinet before Easter in early April 2020.

9. There has been some media commentary on the Rapid Transit activity class including the reallocation of \$313M funding from the Rapid Transit activity class to fund road projects. This is simply a cash flow exercise and does not mean there is any less funding attributed to the CC2M Light Rail project.

Agenda item two: Points of interest from the IEP process

10. As part of the IEP structure, NZTA and NZ Infra are required to provide the Lead Team with some early deliverables, so that there is a good understanding as early as possible of the features of their proposals. These early deliverables cover the Respondents' proposals for:

- 10.1. commercial terms and risk allocation principles
- 10.2. indicative proposed route alignment
- 10.3. legislative or regulatory changes.

11. These early deliverables allow us to identify any points for interest that we believe should be signalled early to Ministers. Through the five IEP meetings held to date the following points have come to light:

- 11.1. [REDACTED]
- 11.2. [REDACTED]
- 11.3. [REDACTED]
- 11.4. [REDACTED]
- 11.5. [REDACTED]
- 11.6. [REDACTED]
- 11.7. [REDACTED]
- 11.8. [REDACTED]
- 11.9. [REDACTED]

12. Each of these considerations is discussed in more detail below.

13. It is worth noting that we are simply informing you of these points that have been raised and this does not mean they will eventuate in the final bids received. The solutions are constantly evolving and until we receive the formal bids from the Respondents, we are unable to know what features will be included within their responses. They do however give you an indication of matters that you may be asked to discuss in early 2020 in advance of a Cabinet decision.

[REDACTED]

14. The Respondents have provided an early indication of the entity structures they prefer. We are still receiving information from them to substantiate their proposed approaches.

15. [REDACTED]

Commercially confidential

Commercially confidential

16. [Redacted]

17. [Redacted]

18. [Redacted]

19. [Redacted]

20. [Redacted]

21. [Redacted]

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24. [Redacted]

25. [Redacted]

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26. [Redacted]

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36.

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Recommendations

(a) **note** the content of this briefing.

Yes/No

MINISTER'S SIGNATURE:

DATE:

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