



**MINUTES OF THE NZ TRANSPORT AGENCY BOARD MEETING**

**Held by Video Conference on**

**Wednesday 17 August 2011 starting at 8.30am**

**Level 2, Chews Lane Building 50 Victoria Street, Wellington  
L11, HSBC House, 1 Queen Street, Auckland  
L1, Deloitte House, 24 Bridge Street, Hamilton**

*Status: These minutes remain draft and confidential until adopted by the Board as a true and accurate record of the meeting*

<b>Approved by the Chair</b>	_____
<b>Date</b>	____/____/____

**PRESENT:**

Chris Moller	<i>Chair</i> [attending the meeting from Auckland]
Tony Lanigan	[Auckland]
Bryan Jackson	[Wellington]
Alick Shaw	[Wellington]
Jerry Rickman	[Hamilton]
Adrienne Young-Cooper	[Christchurch by phone]

**APOLOGIES:**

Patsy Reddy	
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**NZTA STAFF IN ATTENDANCE:**

Geoff Dangerfield	<i>Chief Executive</i>
Neil Walker (item 2)	<i>Acting GM, Highways &amp; Network Operations</i>
Kevin Reid (item 2)	<i>National Manager, Professional Services, HNO</i>
Tommy Parker (Item 2)	<i>State Highway Manager, Auckland &amp; Northland</i>
Peter Spies (item 2)	<i>Chief Advisor, Engineering Assurance HNO</i>
Stephen Town (Items 1-3)	<i>Regional Director, Auckland &amp; Northland</i>
Peter Kippenberger (item 3)	

**INVITEES:**

None	
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*The meeting started at 8.30am.*

## **2. Contract No: NZTA CA3466 Waterview Connection Tunnels and Great North Road Interchange – Recommendation to Award**

**Board Paper 11/08/0558**

Tommy Parker (SH Manager Auckland and Northland) on behalf of the Tender Evaluation Team outlined the key points in the paper. The Evaluation Team is equally satisfied as to the quality of the proposals from either Proponent, but there is a substantial difference in price when adjusted for all non-price attributes. The Board explored with the Tender Evaluation Team the reasons why Proponent B was less than the initial NZTA estimate and less than the other Proponent. The Board discussed matters relating to contingency risk, RMA consent conditions and how these are reflected in the tender price.

The Board also discussed how the attributes from Proponent A would be incorporated into the next stage of the tender process. Tommy Parker discussed the cost risk profile that was initially presented to the Board at the June 2010 meeting, and how the costs had tracked over the course of the tender process. The Board was satisfied that Proponent B was the preferred Proponent.

### **Resolved**

*That the NZ Transport Agency Board:*

- a. agrees to advising Proponent B (the Well-Connected consortium, consisting of Fletcher Construction, McConnell Dowell Constructors, Obayashi Corporation, PB New Zealand, Beca Infrastructure and Tonkin & Taylor) that they are the preferred Proponent for Contract CA3466 Waterview Connection and Great North Road Interchange and have the lowest nett adjusted TOC (Total Outturn Cost);*
- b. agrees to the appointment of a pre-award negotiation team to ensure the transfer of identified intellectual property from the unsuccessful Proponent to the preferred Proponent and resolve residual technical and commercial matters; and*
- c. agrees that once negotiations have been concluded the Chief Executive will seek the consent of the Chair to award the contract*

### **Requested Actions:**

- 1. That the Chief Executive updates the Board on the Waterview Connection Tunnels and Great North Road Interchange contract award and any related issues, and outlines how the contract implementation will be monitored and reported.*

### 3. Auckland Metro Rail Electric Multiple Unit (EMU) Loan Funding

Board Paper 11/08/0559

Stephen Town (Regional Director Auckland and Northland) provided the Board with further context for the paper now that the Government has reached agreement with Auckland Council on the funding of the EMU's. The Board had earlier discussed and supported the likely NLTF funding requirements which were now more certain, and supported the Chief Executive preparing a letter of comfort for Auckland Transport as they took the next step in the procurement process. The Board also requested that the future disposal proceeds should be used to help offset NLTF costs in line with existing policy.

#### Resolved:

That the NZ Transport Agency Board:

- a. *supports the purchase of Auckland's new Electric Multiple Units (EMUs), including the EMU depot, to replace the ageing diesel engines, carriages, and railcar fleets;*
- b. *acknowledges that servicing and repayment of the loans to Auckland Transport and, through it, the supplementary loan to Auckland Council to finance the purchase of the EMUs and depot would be assisted by the NZTA from the National Land Transport Fund at a Funding Assistance Rate of 59% in 2012/13 (moving to 50% in 1% annual decrements) and that this is affordable within the GPS Public Transport Services activity class;*
- c. *agrees that it will consider the inclusion of an activity in the 2012-15 NLTP, with subsequent commitments, involving the funding necessary for repaying the NZTA's share of principal and interest on a \$500 million loan from the government to Auckland Transport and a supplementary loan of approximately \$45 million taken out by Auckland Council, to fund the purchase of the EMUs and depot subject to:*
  - (i) *Auckland Transport's inclusion of the activity in its 2012-15 Regional Land Transport Programme; and*
  - (ii) *NZTA receiving a funding application from Auckland Transport which includes its acceptance of funding obligations for any supplementary loans raised by Auckland Council for additional EMUs and the depot;*
- d. *requests the Chief Executive to provide sufficient funds to cover the EMU and depot repayments in the draft 2012-15 NLTP to be presented to the Board in June 2012;*
- e. *requests the Chief Executive to ensure that any funds realised from the sale or lease of existing Auckland rail assets (for example the SA/SD trains, and the railcar fleet) offset the cost of the total rail operation and thus reduce the cost to the National Land Transport Fund; and*

- f. *agrees that in the unlikely event the funding application from Auckland Transport differs materially from the information presented in the Board paper, the whole matter will be referred to the Board for its consideration.*

**Requested Actions:**

2. *That the Chief Executive reports to the Board on progress with the the purchase of Auckland's new Electric Multiple Units (EMUs) at its November meeting.*

#### **4. Walking and Cycling Facility on Auckland Harbour Bridge**

Stephen Town updated Board members on developments regarding a proposed walking and cycling facility on the Auckland Harbour Bridge. The issue was considered by the Transport Committee of the Auckland Council earlier in the week. Stephen explained that the NZTA approach has been to position the proposal as the development of a community facility, and hence the focus on funding and support from the Auckland Council and Auckland Transport.

*The Board moved into a Board only session at 9.30am*