

4 March 2019

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Ref. OIA-4654

Dear Meriana

Thank you for your e-mail of 1 February 2019, in which you seek information about the MacKays to Peka Peka (M2PP) expressway:

'I would like to request the following under the Official Information Act:

- *The tender applications for the M2PP stretch of the Kapiti Expressway*
- *The type of tender*
- *How the tender was evaluated*
- *Which tender application was approved, including costs involved?*
- *The original budget for the Kapiti Expressway, with a breakdown of where money was budgeted*
- *The actual cost of the M2PP, with a breakdown of where money was spent*
- *The cost of resealing the M2PP since it was completed, and where it needed to be resealed*
- *Why the M2PP required resealing'*

I will answer each of your eight questions in turn:

1. *"The tender applications for the M2PP stretch of the Kapiti Expressway"*

Proposals were received from three proponents, namely:

- (a) **Beca & Fletcher (B&F)**, consisting of Beca Infrastructure Ltd, The Fletcher Construction Co. Ltd and Higgins Contractors Ltd;
- (b) **Fulton Hogan & Opus (FH&O)**, consisting of Fulton Hogan Ltd and Opus International Consultants Ltd;
- (c) **Kapiti Connections Consortium (KCC)**, consisting of Leighton Contractors Ltd, Sinclair Knight Merz Ltd and Tonkin and Taylor Ltd.

2. *"The type of tender"*

The type of tender is an Alliance where the successful tenderer works interactively with the NZ Transport Agency.

3. *“How the tender was evaluated”*

The tender is evaluated in three stages:

- (a) Each tenderer is interviewed to establish how they propose to address the project. Each tenderer is graded according to their assessed capability and the two tenderers with the higher grades are selected to proceed to the next stage of the tendering process;
- (b) Two-day workshops are held separately with each of the tenderers. The primary objective of the workshops is to identify the proponent team with the greatest potential to deliver the SH1 Mackays to Peka Peka Expressway project to meet or better the stated project objectives;
- (c) From these workshops a single tenderer is chosen to work with the NZ Transport Agency to develop and design the project and agree a total cost.

4. *“Which tender application was approved, including costs involved?”*

Beca & Fletcher (B&F), consisting of Beca Infrastructure Ltd, The Fletcher Construction Co. Ltd and Higgins Contractors Ltd were the successful tenderer. The agreed tender price was \$541 million.

5. *“The original budget for the Kapiti Expressway, with a breakdown of where money was budgeted”*

The original budget for the construction of the expressway was \$622.4 million of which \$541 million was for the Alliance contract. The remaining budget was mainly for mitigation of effects on properties.

6. *“The actual cost of the M2PP, with a breakdown of where money was spent”*

The final cost is not available as a number of property settlements are still underway and other costs have yet to be finalised.

7. *“The cost of resealing the M2PP since it was completed, and where it needed to be resealed”*

The current estimated cost of the pavement repairs/resealing is \$25.2 million of which the Transport Agency will pay 56% and the contractor 44% in accordance with the Alliance agreement.

8. *“Why the M2PP required resealing”*

Following the opening of the expressway in February 2017, it became apparent that the surface of the road wasn't performing as expected. Investigations have shown that water has penetrated the seal layer, resulting in a discolouration of the road and changes to its texture. This layer is being replaced with asphaltic concrete.

If you would like to discuss this reply with the NZ Transport Agency, please contact Jasmine Higginson, Lower North Island Media Manager, by email to Jasmine.Higginson@nzta.govt.nz or by phone on 021 507 990.

Yours sincerely



Karen Boyt
Acting Senior Manager, Project Delivery