

8 September 2020

[REDACTED]  
[REDACTED]

REF: OIA-7037

Dear [REDACTED]

**Request made under the Official Information Act 1982**

Thank you for your email of 21 August 2020 requesting the following information under the Official Information Act 1982 (the Act):

1. *The basis for allocating \$2m to the detailed business case:*
  - *What are the cost elements for this estimate?*
  - *What are the key fees, rates, prices and allowances that have been used to arrive at this figure?*

*Also:*

- *What is the approval process for the DBC?*
  - *Are external providers used?*
  - *If so, how were the external providers procured and does this comply with the government procurement rules?*
  - *Have there been any declared conflicts of interest in any staff involved in the procurement of the external providers?*
2. *The basis for allocating \$2m to the pre-implementation phase:*
    - *What are the cost elements for this estimate?*
    - *What are the key fees, rates, prices and allowances that have been used to arrive at this figure?*
  3. *The basis for allocating \$54m to the construction phase:*
    - *What is the anticipated scope of work this estimate is based on?*
    - *What are the key fees, rates, prices, and allowances that have been used to arrive at this figure? i.e What is the allocation for direct costs? Earthworks? Land procurement?*
    - *What is the allocation and breakdown for transport agency managed costs and consultancy fees?*
    - *What is the anticipated procurement process for all external services/works for the construction phase?*

As advised in my letter of 23 July 2020, due to the early stage of development for this project, a breakdown of costs beyond what you have already been provided is not currently available. I am therefore refusing this part of your request under section 18(g) of the Act, as the information requested is not held.

By way of background, WSP was engaged to undertake the Cambridge to Piarere (C2P) Long Term Detailed Business Case (DBC) in 2016, which included the SH1/29 intersection. As the SH1/29 intersection is now being delivered as a standalone project through the NZ Upgrade Programme, WSP was awarded a variation to its contract to also deliver the pre-implementation, detailed design and

Management, Surveillance and Quality Assurance of the standalone SH1/29 intersection project. This was in addition to completing the DBC for the C2P long term project.

Completion of the DBC will confirm the alignment of the future extension of the Waikato Expressway from Cambridge to Piarere and enable the new SH1/29 roundabout to be built within this alignment, ensuring it will remain fit-for-purpose with the long-term plans for the C2P corridor.

The total value of the contract variation with WSP is \$2,416,551.50. However, due to the interdependencies between each project, we are unable to accurately apportion the costs of the work already done on the DBC between the SH1/29 roundabout and C2P long term plans. This variation complies with our procurement rules as there are synergies between the two projects and WSP has existing project knowledge that will enable the project to be delivered faster.


The DBC report for the C2P Long Term project will have an independent peer review, including separate independent reviews of estimates and economics. Waka Kotahi will also undertake its own internal reviews before submitting the final business case to the Waka Kotahi Board for approval.

While one Waka Kotahi staff member declared a conflict of interest, they were not involved in the procurement process for the original contract. They were part of a panel of three that negotiated the variation for the NZ Upgrade Programme but did not hold the delegation for awarding this variation.

It is proposed that the physical works construction contract will be procured through a Measure and Value tender process. WSP will provide the Management, Surveillance and Quality Assurance service for this contract.

If you would like to discuss this reply with Waka Kotahi, please contact Andrew Knackstedt, Senior Manager, Media, by email to [Andrew.Knackstedt@nzta.govt.nz](mailto:Andrew.Knackstedt@nzta.govt.nz) or by phone on (04) 894 6285.

Yours sincerely



**Andy Thackwray**  
Senior Manager, Project Delivery