

## Public Private Partnership (PPP) for Transmission Gully Highway – Shortlist announcement

### FAQs

15 April 2013

---

#### **1. What does the shortlist mean in terms of progress towards building Transmission Gully?**

These two consortiums will be bidding for the opportunity to finance, design and build Transmission Gully as well as to maintain and operate the highway for a period of 25 years.

#### **2. What are the next steps?**

A Request for Proposal document will be provided to the two shortlisted consortiums in May. They will respond to that RFP and we will select the successful consortium. We aim to award the contract and have construction underway late next year, with a safe and resilient road open for traffic in 2020.

#### **3. What other organisations expressed an interest in the opportunity to finance, design, build maintain and operate Transmission Gully?**

For reasons of commercial confidentiality we won't be revealing who else was expressing interest. However, we can say that we were pleased with the number and quality of consortiums, which shows there is a healthy interest in PPPs in New Zealand.

#### **4. How did you pick the shortlisted consortiums?**

We went through a rigorous evaluation process to identify the two consortiums with the best capability, capacity, understanding and appetite to deliver the project in a manner that meets or exceeds the NZTA's objectives.

## **5. How do you know the selected consortiums are sound?**

We've carried out due diligence to independently verify their ability to deliver before making a decision on the shortlist.

## **6. How does the PPP for Transmission Gully differ to those used overseas which have experienced some challenges?**

As a relatively late adopter of PPPs as a procurement option, New Zealand in general and NZTA in particular have the advantage of being able to learn from experiences in other parts of the world, improving on the best elements and avoiding the pitfalls.

As a result the proposed PPP for Transmission Gully is based on an 'availability model' which means that the successful consortium will only be paid when the road is open for customers to drive on. It is not dependent on tolling revenue or on the number of vehicles using the road.

## **7. Will you toll motorists to use Transmission Gully?**

No decision has been made on tolling. We are currently investigating the advantages and disadvantages of tolling. If we decide to toll Transmission Gully, we will consult separately on this proposal with affected communities and stakeholders.

The PPP procurement model to be used for Transmission Gully does not depend on tolling. If the decision is made to toll, the revenue will be collected by the NZTA – not the consortium awarded the PPP contract.