

Development of Response Requirements document for the City Centre to Māngere Light Rail project

Background

This note summarises the process by which the Response Requirements Document (RRD) for the City Centre to Māngere (CC2M) light rail project was developed.

On 29 May 2019, the Cabinet Economic Development Committee (DEV) considered the paper 'Progressing Plans to Deliver Light Rail in Auckland' [DEV-19-MIN-0141 refers].

That paper set out the Minister of Transport's preferred approach, which was to undertake a parallel process, taking between four to six months, involving:

- Further progressing and finding opportunities for NZTA, working with officials, to enhance its current business case – including providing an opportunity to better consider innovative solutions, and for NZTA to assess its preferred procurement approach and financing models, including phasing the construction of the project, and alongside this
- Enter into preliminary discussions with NZ Infra. This would involve seeking to develop a mutually agreeable draft Memorandum of Understanding and high level term sheet.

In considering this parallel process, the Cabinet paper noted a number of matters, including:

Both the NZTA and NZ Infra proposals offer their own set of advantages and disadvantages. Both are credible, and are worth further development. In this context, both proposals should be further worked up over the next four to six months, so that as a Government we are able to consider two robust proposals and make a clear decision on our delivery plan.

...

To inform both streams, I have commissioned officials to clarify the outcomes that we are seeking from light rail in Auckland. They will work with key government agencies and stakeholders, particularly Auckland Council and Auckland Transport in undertaking this work.

On completion of this parallel process, I will report back to Cabinet with my findings, and seek further decisions. My goal, at that time, is to enable us to take decisions on our preferred delivery approach and partner.

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Starting point for the RRD

The Ministry recognised that we would need to confirm the appropriate form of the engagement with the two parties. Our approach was based on the following considerations:

- Government wished to work through its choices in a structured way
- Both parties should be treated fairly and should have clear direction on what was required from their proposals
- Both parties were being asked to participate at their own cost and risk, and a clear and transparent approach was required to provide them with sufficient certainty as to process
- A clear and transparent process was also required to manage the Government's risk, including risk of challenge from the unsuccessful party
- Both proposals needed to be developed with reference to the project's outcomes, so that the Government could be confident that it was considering both proposals on a like-for-like basis.

Based on those considerations, the Ministry identified that a document which provided guidance to both parties and which provided clarity on the process was required to meet those needs. Our preliminary working concept was a 'request for proposals' or similar document, along with applying best practice principles used for major Government infrastructure projects. This was to help ensure a fair and even-handed approach to considering the proposals.

We identified a need to bring in advisory support to help us develop the documentation and process. PWC was identified as well placed to assist us, on the basis that one of its partners was a former head of the Treasury's PPP unit and in his PWC role had provided advisory support for significant infrastructure procurements. This mix of private and public sector expertise was valuable in the context of being able to apply a solid set of principles and structure to this parallel process. A contract was signed with PWC on 14 June 2019.

[REDACTED]

While not directly relevant to the process of developing the RRD, it is useful to note that over the same time period, the Ministry also set up a project structure and team, set up governance structures (including the ALR Advisory Group¹ and Ministerial Oversight Group²), identified and contracted with its initial advisory needs, and developed initial communications collateral.

Initial development of the RRD

The initial scoping and structure of the RRD took place through a series of workshops and discussions involving Ministry personnel, lead team members³ and our internal and external

¹ Members of the Auckland Light Rail Advisory Group are as follows: Shane Ellison, AT; Stephen Town, Auckland Council; Greg Miller, KiwiRail; Lewis Holden, SSC; Andrew Crisp [delegated to Brad Ward], MHUD; Vicky Robertson [delegated to Amanda Moran], MfE; Jon Grayson, Treasury [now Andy Hagan, Tsy due to Jon Grayson's role in the Infrastructure Commission]; Richard Leverington, NZTA.

² Ministers of Finance, Transport (convenor) and Urban Development, Environment, Infrastructure, Associate Transport (Hon Genter).

³ Lead team members: Bryn Gandy, Deputy Chief Executive Strategy and Investment, Ministry of Transport; Fiona Mules, Consultant; Sarah Sinclair, Minter Ellison Rudd Watts. (Amelia East, Project Director, Ministry of Transport joined the Lead Team after the RRD was finalised).

legal advisors, and PWC. This was a fast paced and interactive process, with multiple drafts of the document produced over several weeks.

The initial focus was to develop a skeleton of the document, including outlining how the proposals process could work and confirming the key topics that it needed to cover. Much of this material was based on standard approaches and topic areas used for other major infrastructure initiatives.

Determining the process

The initial draft RRD started to outline the key features of the process. These included:

- process and probity matters
- the role of an authorised representative
- interactive engagement process
- project data room
- submission of responses
- evaluation methodology
- timetable.

Determining the topic areas/content

The initial draft RRD started to also outline key topic and content areas. These included:

- project outcomes
- commercial and financial response
- construction works and delivery response
- service delivery, including safety response
- lifecycle and asset management response
- property and environmental response
- interface and risk management response
- evaluation methodology.

Through the workshops mentioned above, the skeleton RRD was tested and refined. Specific content owners were identified, and we identified key areas where input would be required from partner agencies. More detail on how this input was obtained is outlined below.

As the document was developed iteratively, and at pace, this note doesn't attempt to capture the detailed evolution of the document.

Consultation and feedback

The document was consulted on in a number of ways, with key engagement points outlined below:

Date	Engagement
9 July 2019	An initial meeting was held with Auckland Transport on technical and service delivery matters. ⁴
12 July 2019	Draft Technical Requirements Document developed for review by Auckland Transport
13 July 2019	Policy documentation circulated by Auckland Transport
16 July 2019	<p>A draft copy was provided to the following partner agencies for comment: Auckland Transport, Auckland Council, Ministry for the Environment; Treasury, Ministry of Housing and Urban Development.</p> <p>All agencies responded with feedback which traversed high level issues, substantive content, and more detailed, technical matters.</p> <p>All feedback was considered through subsequent drafting workshops and a decision made as to whether it should be incorporated into the final version.</p> <p>The decision on each feedback point was conveyed back to the relevant agency on 13 August along with detailed rationale – see below:</p> <p>MoT response to Auckland Transport feedback on draft RRD 090819.docx: [REDACTED]</p> <p>MoT response to Treasury feedback on draft RRD 090819.docx: [REDACTED]</p> <p>MoT response to Auckland Council feedback on draft RRD 090819.docx: [REDACTED]</p> <p>MoT response to MHUD feedback on draft RRD 090819.docx: [REDACTED]</p> <p>MoT response to MfE feedback on draft RRD 090819.docx: [REDACTED]</p>
18 July 2019	<p>A draft copy was provided to the Auckland Light Rail Advisory Group for feedback. At the same meeting, the Advisory Group also provided feedback on the outcomes framework and requested that further work be undertaken to weight the outcomes.</p> <p>A number of points were raised on the overall positioning of the draft RRD, and what was necessary for the document to cover in order to support an evaluation. [REDACTED]</p>

⁴ Invitees as follows: [REDACTED]

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	<p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>
<p>23 July 2019</p> <p>A second note was circulated to Ministers (by Hon Twyford on 24 July)</p>	<p>The first Ministerial Oversight Group meeting was held on 23 July, and a draft of the RRD was attached as one of the papers for discussion. [REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]. Ministers also received a copy of the outcomes document for confirmation. However, due to the limited time Ministers had to view the documents, a follow up note was provided to those Ministers so that they could further consider their feedback [OC190674 and OC190709]. A key point of feedback from Ministers related to ensuring that value for money was expressly incorporated into the document.</p> <p>Feedback from Ministers on the outcomes, RRD [REDACTED] was provided to the Ministry on 26 July and 30 July. [REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED].</p>
<p>14 August</p>	<p>The final RRD was also shared with the ALR Advisory Group, for its meeting of 14 August.</p>

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