

Report 03.391
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Committee Passenger Transport
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Tranz Metro Wellington Issues

1. **Purpose**

To inform the Committee about the implementation of the Wellington urban rail services Competitive Pricing Process (CPP).

2. **Background**

On 15 May 2003 Transfund approved a CPP for the purchase of urban passenger rail services in Wellington. A previous resolution by the Transfund Board provided the Council with a six month deadline from the CPP approval date to complete the tendering process. That six month period therefore ends on 15 November 2003.

3. **Comment**

The day after government announced its proposal to obtain a 35% interest in Tranz Rail Ltd and take ownership of the track, together with some other financial commitments, we advertised our request for statements of interest and ability from rail operators to provide the Wellington urban passenger rail services. The first stage of our tender process, announced in our tender advertisement, was a pre-tender meeting to be held on 25 June. The pre-tender meeting went ahead on that day with a total of fourteen attendees representing the following operators:

- Transdev
- Connex
- Serco
- Stagecoach
- Tranz Rail

Some of those operators were supported by financial institutions and/or rail equipment or system suppliers. The Council was represented by Barry Leonard, Carolyn Lefebvre and myself. The probity auditor, Lyn Daken was also present. A copy of the agenda for the meeting, a statement read on behalf

of the Council and the minutes of the questions asked and answers give is attached as **attachment 1**.

The next step in the process is the receipt of statements of interest and ability. The deadline for this is 5pm on Tuesday 15 July. These statements will then be evaluated by our evaluation team consisting of Greg Schollum, Barry Leonard and Carolyn Lefebvre; I am an evaluation substitute should any of the named not be available. The purpose of the evaluation is to draw up a short list to proceed to the next state. As mentioned in the statement read out at the pre-tender meeting that next stage may be delayed because of the uncertainty over the ownership of Tranz Rail Ltd. Informal talks have been held with Transfund New Zealand officials regarding their six month deadline. They recognise the difficulty tenderers will have making a commercial offer while uncertainty remains over the ownership of Tranz Rail Ltd. They are clearly prepared to receive a request to extend the deadline if the current circumstances impede our ability to progress the CPP process.

4. Communications

The selection of the short listed tenderers will be of interest to the media. A media release will be made by the Council's Chairperson once the short list is finalised.

5. Recommendation

That the report be received.

Report prepared by:

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Attachment 1: Copy of agenda, statement and minutes of questions and answers from pre-tender meeting.