



## Ministry of Transport: Aide Memoire

**To:** Peter Mersi, Chief Executive  
**From:** Amelia East, Project Director, Auckland Light Rail  
**Date:** 17 October 2019  
**Subject:** ALR Evaluation Framework  
**OC Number:** OC191024

### Purpose of this aide memoire

1. This aide memoire provides you with an update on the ALR Evaluation Framework.
2. We are seeking your feedback on: the proposed contents of reports to the OET; the proposed composition of key teams; and whether we need to consult further with stakeholders on any aspects of the Evaluation process.
3. We provide an overview of the next steps in the Evaluation process.

### OET Input Reports

4. We propose that the OET will receive the following eight reports (including a precis of each document):
  - a. SMET Report: Commercial and Financial
  - b. SMET Report: Technical Solution
  - c. SMET Report: Service Delivery
  - d. SMET Report: Iwi and Stakeholder Engagement
  - e. SMET Report: Key Outcomes Narrative
  - f. Legal/Commercial Due Diligence
  - g. Financial Model Due Diligence
  - h. Policy Due Diligence
5. The contents of each of the five SMET reports are expected to include:
  - Moderated scores against the scored criteria evaluated by the SMET (scoring scales have yet to be determined)
  - Specific rationale required to support the scores provided and any particular observations
  - The assessment against the non-scored criteria of the responses which nonetheless need to be evaluated
6. The content of the Legal/Commercial Due Diligence report is expected to include:
  - An examination of the legal basis for the proposal, including;

- legal structure
- any legislative/regulatory changes being sought
- commercial terms, and
- contractual matters.

7. The content of the Policy Due Diligence report is expected to include:

- key implementation issues of either bid
- proposed regulatory changes
- what is being asked from government, and
- issues that relate to Auckland/project and those that have system implications (including implications for partners such as Auckland Transport and Auckland Council).

8. The content of the Financial Due Diligence report is expected to include:

- Pricing assessment, and
- Money qualifier (certainty and deliverability)

9. Do you have any feedback on the proposed contents of these reports? Are there any other reports you consider that the OET would require to inform its work?

#### OET and SMET Participants

10. We recommend the following participants on the OET.

OET Composition
<ul style="list-style-type: none"> <li>• Bryn Gandy</li> <li>• Amelia East</li> <li>• Sarah Sinclair, MERW</li> <li>• Fiona Mules,</li> </ul>

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11. Do you have any feedback on these participants and do you consider the group has the right expertise and is the right size?

12. We recommend the following participants on the SMETs. All stakeholders involved on the ALR Advisory Group (except NZTA) have a role in the SMETs in the following line up.

SMET	Composition
Commercial and Financial	<ul style="list-style-type: none"> <li>• Tim Herbert – Ministry of Transport</li> <li>• Steph Ward – Ministry of Transport</li> <li>• Jordan Oldham - Minter Ellison Rudd Watts</li> <li>• Katie Philips or [redacted] - Treasury DMO</li> </ul>

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SMET	Composition
Technical and Service Delivery	<ul style="list-style-type: none"><li>• [REDACTED] - Mott MacDonald</li><li>• [REDACTED] - Mott MacDonald</li><li>• TBC - Mott MacDonald</li><li>• TBC - Auckland Transport</li></ul>
Iwi and Stakeholder Engagement	<ul style="list-style-type: none"><li>• [REDACTED] - Senate</li><li>• Lou Lennane - Ministry of Transport</li><li>• Suzanne Cookson – Ministry of Transport</li><li>• TBC - Auckland Council</li></ul>
Key Outcomes Narrative	<ul style="list-style-type: none"><li>• [REDACTED] – Ministry of Transport</li><li>• Tim Herbert – Ministry of Transport</li><li>• [REDACTED] - Mott MacDonald</li><li>• Siobhan Routledge – Ministry of Transport</li><li>• Ernst Zollner – Ministry of Housing and Urban Development</li></ul>

13. Do you have any feedback on the composition of the above SMETs?

Policy Evaluation	Financial Due Diligence Report	Commercial/Legal Due Diligence Report
<ul style="list-style-type: none"><li>• Siobhan Routledge</li><li>• Jonathan Luo</li><li>• John Edwards</li></ul>	<ul style="list-style-type: none"><li>• Steph Ward</li><li>• KPMG</li></ul>	<ul style="list-style-type: none"><li>• MERW</li><li>• KPMG</li></ul>

14. Do you have any feedback on the composition of the above groups?

15. Do you have any suggestions regarding other stakeholders who might have expertise relevant to the evaluation?

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16. [REDACTED]  
[REDACTED]

[Redacted]

**Sign-off of Evaluation Framework**

17. When the Evaluation Framework is completed, are there any other stakeholders you would suggest we consult with and gain their buy-in before it is finalised?

**Next Steps**

18. The next steps for the Evaluation process are:

- 18.1. Finalise the SMET evaluation against Evaluation Criteria and how we plan to Evaluate Key Outcomes.
- 18.2. Draft Evaluation Plan, SMET Report templates and Due Diligence templates.
- 18.3. Confirm the OET inputs and support required in decision-making.
- 18.4. [Redacted]
- 18.5. [Redacted]
- 18.6. We would like to hold the first four SMET meetings in December. This will enable a representative from each SMET to contribute to the outcomes narrative in January.

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