

## By email

20 February 2019

File Ref: OIAP-7-9578

Gavin Middleton

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Dear Mr Middleton

## Request for information OIA 2018-398

I refer to your request for information dated 20 December 2018, which was received by GWRC on 20 December 2018. On 11 February 2019, we wrote to you advising that we needed to extend the timeframe for us to respond to your request until 11 March 2019. You have requested the following information:

*“I request any reports, memoranda, emails, meeting notes, presentations, business cases, proposals or other documents relating to any projected cost savings (or reduction in costs) proposed to arise with the introduction of new contracts which came into effect in 2018.*

*I also request any budgets, requests, reports, memoranda, emails, meeting notes, presentations, business cases, proposals or other documents relating to the actual cost of introducing those contracts - including, but not limited to, the costs of additional stakeholder/community/public engagement, staff time and expenses in managing implementation of the changes, consultants engaged to review or manage the changes or their impact, internally or externally prepared reports, additional communications or media management or public relations costs, making changes to routes or timetables following the signing of contracts, and the cost of receiving and managing feedback on the changes, including the handling of complaints. Where possible, please break down the costs by the categories identified above, and by any other logical categories.”*

### GWRC’s response follows:

The new contracts introduced by GWRC in 2018 were part of a wider transformation programme to reform the way in which bus services across the region are delivered. The contracts themselves introduced stronger performance measures and incentives on operators, as well as substantially higher service standards and quality of buses than previous contracts. Responsibilities for some functions shifted from operators to GWRC, such as ticketing, branding and customer communications. The contracts were also premised on the basis of a new bus network and timetables. Due to the overall objective of delivering an enhanced and improved bus service, value for money was the focus of the tendering and negotiating process for the new bus contracts, and not cost savings. Consequently reports and other documents

RESPONSE TO 2018-398



relating to projected costs savings were limited to the attached copy of Report RPE17.124 *Procurement of Public Transport Services* which was presented to Council in May 2017. This report recommended to Council the preferred tenderers for the bus units which were being tendered. The report is attached as **Attachment 1**.

Further information about the contract tendering process, including the RFT documents and other reports presented to Council is available via the following link:

<http://www.gw.govt.nz/bus-contracts/>

You will see that we have elected to withhold a small amount of information from Report RPE17.124. The grounds relied on are set out below.

#### Negotiations

GWRC is currently in the process of negotiating the delivery of additional bus services with bus operators. Certain information in the documents relates to matters that could have a negative impact on GWRC's ability to conduct negotiations if released. As negotiation on the delivery of additional bus services is yet to be completed, GWRC considers that withholding the information is necessary to enable it to carry on, without prejudice or disadvantage, negotiations.

This information has therefore been withheld from the document released to you in accordance with section 7(2)(i) of the Local Government Official Information and Meetings Act 1987 (the Act).

#### Unsuccessful tenderers

Information in the documents which relates to unsuccessful tenderers has been withheld. Tender documents were provided to GWRC on a confidential basis. Therefore, this information is withheld under section 7(2)(c)(ii) of the Act, as we consider that withholding tenderer specific information is necessary to protect information that is subject to an obligation of confidentiality and where making it available would be likely to damage the continued supply of this information. Release of such information would negatively impact our relationship with current and future tenderers, which would impact on GWRC's ability to get the best possible value for money outcome from future tender processes. Such an outcome would be likely to damage the public interest.

In addition, the information has also been withheld in accordance with section 7(2)(b)(ii) of the Act, as releasing this information would be likely to unreasonably prejudice the commercial position of those unsuccessful tenderers.

#### Evaluative material

Certain information in the documents relates to the commercial strategy of successful tenderers. Therefore, this information is withheld under section 7(2)(b)(ii) of the Act, as releasing this information would be likely to unreasonably prejudice the commercial position of the tenderer.

Legal advice

Certain information in the documents relates to legal advice that GWRC has obtained. The legal advice is subject to legal professional privilege.

This information has been withheld from the document released to you in accordance with section 7(2)(g) of the Act.

We have considered whether the public interest in the requested information outweighs GWRC's need to withhold certain aspects of the information requested. As a result, we do not consider that the public interest outweighs GWRC's reasons for withholding parts of the information requested under the grounds identified above.

We have interpreted the second part of your request as a request for costs incurred by GWRC for specific activities related to implementation of the recent bus changes in the Wellington region. In summary, we understand that your request is for costs related to:

1. additional stakeholder/community/public engagement,
2. staff time and expenses in managing implementation of the changes,
3. consultants engaged to review or manage the changes or their impact, internally or externally prepared reports,
4. additional communications or media management or public relations costs,
5. making changes to routes or timetables following the signing of contracts, and
6. the cost of receiving and managing feedback on the changes, including the handling of complaints.

Due to the manner in which costs are accounted for and that our staff, contractors and consultants undertake multiple tasks, we have had to group some of these activities together. The following represents the costs associated with implementation of the recent bus changes in the Wellington region. Note that we do not capture specific activities undertaken by staff and it is not therefore possible to separate out time and therefore cost of staff time for these activities. The costs are for the period 1 July 2017 to 31 December 2018.

Item	Cost (1 July 2017 to 31 Dec 2018)
1, 4	\$3,962,827
3, 5	\$3,796,684
6	\$330,170
2	Not separately captured

If you have any concerns with the decision(s) referred to in this letter, you have the right to request an investigation and review by the Ombudsman under section 27(3) of the Act.

Yours sincerely

A handwritten signature in black ink, appearing to be 'G. Pollock', with a large, sweeping flourish at the end.

**Greg Pollock**  
General Manager, Public Transport