

Ferry Procurement Status update

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The Future Ferry Development Procurement Strategy recommended a preferred strategy for procuring the Tendered Unit (TU) package (West Harbour, Gulf Harbour, Bayswater, Birkenhead and Rakino) that involves procuring all TU routes in a single package via an open-market tender process. This strategy is under review arising from a number of factors:

- Fullers' network performance and significant reduction of services to allow for an accelerated staff training programme (including the transfer of the Bayswater and Birkenhead services to a new operator, Explore Group)
- The impact of infrastructure developments on particular ferry services , eg continued requirement for Gulf Harbour Ferry in light of proposed Penlink road and Whangaparoa bus station, impact on West Harbour of the new NW busway/ Hobsonville improvements.
- Budget constraints in relation to funding of further vessel procurement beyond Stage 1 vessels (8 – 9 vessels)
- Operator view on market attractiveness In light of likely requirement for provision of capital for new/ reconditioned fleet.

A working group including EY, AT's financial and commercial advisors on the ferry programme, has reviewed and discussed options for route packaging and vessel procurement for the TU routes. These have been assessed against various criteria including operating cost efficiency, standardisation, reliability, flexibility, reduction of barriers to entry and optimal risk allocation.

The emerging preferred packaging option from this review will be presented to the Ferry PCG in coming months, and the Procurement Strategy updated for approval.

