

CONTRACT VARIATION

SECTION A DETAILS OF VARIATION ORDER

(Originator to complete)

Contract Identifier	PT0261 - 2012 Fare Structure Review – Stages b & c
Contract Variation Number	CV001
Effective Date of Variation	1 February 2012

Item under Action :	Additional tasks
Description of change :	Bus/Rail Costing and Performance Appraisal
Reason for change :	<p>As part of the fare structure options to be developed/assessed, it appears that two of the more important policy ‘dimensions’ and related options are going to relate to:</p> <ul style="list-style-type: none"> • Fare v distance function (how fares vary with the number of zones traversed etc) • Peak v off-peak fares (both the fare level relativities and the definition of ‘peak’ and ‘off-peak’ periods). <p>A major part of the rationale for these policies will be their ‘cost-reflectivity’, i.e. what are the relative costs (per passenger) by distance and time period. In regard to ‘costs’ in this context, therefore an assessment of the following is required:</p> <ul style="list-style-type: none"> • ‘allocated’ costs and cost recovery per passenger—a financial measure; and • marginal/incremental costs per passenger (with/without externality costs such as congestion relief)—an economic (transport efficiency) measure.
Specific Instructions :	<p>Additional items to be provided:</p> <p>Undertake an analysis (both bus and rail) of costs/passenger by line/route and by time period (particularly weekday peaks v other periods). In this regard:</p> <p>Bus. Use the Bus Policy Model to analyse WGN City bus operations and costs by route/time period. Complete the work on the Bus Policy Model and extend it to cover all bus services in the region, to the level of detail required, [Note: should not be a large task, as the required database and methodology are largely established]</p> <p>Rail. Undertake a new assessment by route/line by time period similar to that of Urban Rail Review of 1985 using the following information:</p> <ul style="list-style-type: none"> • cost information, largely held by the Client • operations statistics from the timetable and/or KiwiRail • estimates of passengers and pass km by line by time period, based on the recent Client surveys, matrix development and KiwiRail information. <p>The results will be used to inform the review of future fare structures, and in particular, the aspects of:</p> <ul style="list-style-type: none"> • How fares should vary with distance travelled – by examining how costs/passenger vary with trip length. • How fares might vary between different periods of the day/week (in particular weekday peak v other periods) – by examining how costs/passenger vary by time period. <p>Work to be completed by 30 June 2012</p>



SECTION B VARIATION COST (Consultant to complete)	
Hours Labour (\$) Material (\$) Total (\$) Variation must be implemented from Car No.	Variation Cost Fees & Timing of payments to remain in accordance with the Agreement. Fee capped to a maximum of \$135,000 (inclusive of original Agreement Fee)

SECTION C VARIATION ACCEPTANCE/REJECTION (Client to complete)

SIGNATURE	For the Consultant	For the Client
	CONSULTANTS AUTHORISED SIGNATORY: PRINT NAME: IAN WALLIS DATE: []	CLIENT'S AUTHORISED SIGNATORY: PRINT NAME: TASS LARSEN DATE: [4 July 2012]