

City rail link

2 November 2021

Auckland Transport and Auckland Council

We are advising Auckland Transport and Auckland Council on the City Rail Link project.

The City Rail Link project promises to be a transformational project for Auckland and its public transport rail system. With an estimated projected completion cost of NZ\$4.4b, it is New Zealand's largest infrastructure project by value. It is also the first underground railway project in New Zealand – comprising the construction of a 3.5km long double-track rail tunnel underneath Auckland's CBD, with two new underground stations, Britomart converted from a terminus station into a through station and Mount Eden Station completely rebuilt.

We have been working with Auckland Transport and Auckland Council on this project since early 2019, acting on the project alliance agreement for packages C3 (Tunnels and stations), C5 (Western line) and C7 and C7 (Systems, integration testing and commissioning) and related governance arrangements between Auckland Transport, KiwiRail, City Rail Link and the Link Alliance. The large scale and complexity of the project is reflected in the procurement staging and packaging and the resulting contract structure for the CRL.

The legal aspects of the project are significant and complex, for example:

- The C3 works package (tunnels and stations) combines an alliance agreement with a conventional bespoke long-term maintenance agreement for the three new underground railway stations - this combination required an innovative contractual solution to the issue of risk allocation for defect liability
- The alliance also accommodates a novel governance structure involving Auckland Transport and KiwiRail as strategic alliance partners as well as City Rail Link as an owner participant. Auckland Transport (as the road controlling authority, procurement agency for the rail services operator and likely owner of the stations) and KiwiRail (as the Auckland rail network access provider and likely owner of the rail network) also have dual roles in the project, which presented unique challenges in the alliance governance structure.

Our team was also involved in earlier stages of the City Rail Link project – in particular, acting for Auckland Council and Auckland Transport on the development agreement with Precinct Properties for the Commercial Bay redevelopment, which included the design and construction of the section of the tunnels under Commercial Bay and a compensation package involving QE Square.

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