

UPDATE: AUGMENTATION PROCESS

Sydney Metro's priority is to get the best outcome for customers and the best value for taxpayers from this \$20 billion-plus infrastructure investment.

Sydney Metro has executed a Contract Finalisation Deed with Northwest Rapid Transit – the consortium delivering Stage 1 of Sydney Metro – for the potential augmentation of their contract to take into account the delivery of extra trains and some key rail systems for Stage 2 of Sydney Metro, as well as the operations and maintenance of the entire line.

The original Operations Trains and Systems (OTS) PPP contract for Stage 1 of Sydney Metro, the \$8.3 billion Sydney Metro Northwest project, was set up in 2014 specifically to allow it to be varied, so that any future changes and expansion to the Sydney Metro line could be accommodated.

The augmentation provisions in the original OTS contract were approved by the NSW Government as part of a competitive public tender process in 2014. Since then, industry has been briefed several times about these augmentation provisions available to the NSW Government as part of the Sydney Metro City & Southwest delivery strategy.

Even though the two stages of Sydney Metro are being procured under different contracts and several years apart, the OTS augmentation provisions allow it to operate as one integrated line.

This means the OTS contract for Stage 1 of Sydney Metro can be altered to include elements of the design, construction, testing, commissioning, integration and operations and maintenance for Stage 2.

This has the potential to deliver significant savings for taxpayers. However, it will only ultimately proceed if the NSW Government is satisfied that it provides value for money.

The Contract Finalisation Deed was signed on 7 December 2018 between Sydney Metro, NRT, MTR Corporation and Plenary Group to formally agree these next steps in the augmentation process. Further Subcontractor Commitment arrangements were entered into with Alstom (rolling stock and signalling), Thales (central control and communications), United Group (radio communications), Gilgen (platform screen doors) and a private financing group of equity and debt investors.

In 2019, the next steps in the augmentation process will include the commencement of an early works contract for design and technical work and a further procurement process for the OTS Rail Systems scope for the Sydenham to Bankstown component of the project.

NRT will then provide Sydney Metro with an updated Augmentation proposal in mid-2019.