

Attachment A - Summary of proposed project changes - November 2019 Capex Reforecast

Line #	Directorate	Programme	Project Code	Project Description	Budget 2019-20	New / Increased Budget	Budget Transfer	Budget Deferred	Brought Forward	Surplus	3 Waters PMO Programme	Budget Forecast	Total Change to 2019/20	Budget Comments
1	CEO	Buildings	000814	Civic Heart	3,073,987			-1,573,987	0	0		1,500,000	-1,573,987	Defer to 21/22. Remaining balance for Project Manawa development design and master planning in conjunction with Ngāi Tahu.
2			000493	Project Connect New Office Accommodation	21,983,846			-21,833,846	0	0		150,000	-21,833,846	Defer to 21/22. Project Manawa design being progressed through Civic Heart project in conjunction with Ngāi Tahu.
3	CMTY	Libraries	000886	Wakatipu Library Service	1,027,060		-700,000					327,060	-700,000	Transfer \$700k to project 001004 516 Ladies Mile Development. Project will be reviewed through Library Strategy
4			000929	District - Mobile facility	150,000		-150,000					0	-150,000	Transfer \$150k to project 001004. Project will be reviewed through Library Strategy
5	INF		000230	AMP Improvements - Libraries	30,510		-18,306	0	18,306	0		30,510	0	Bring forward \$18k from 20/21 and transfer out to project 000231 AMP Improvements Property.
6		Buildings	001004	516 Ladies Mile Development	196,743		850,000					1,046,743	850,000	Transfer in \$150k from project 000929 and \$700k from project 000886 to cover initial community building renovations, car parking/access, designations and interim works to the depot.
7			000730	Luggate Hall Replacement	2,358,379	0	0	-1,500,000				858,379	-1,500,000	Defer to 20/21. Design to be completed March 2020. Construction timing of delivery dependent on 3rd party funding confirmation of \$1.78m. Forecasted final costs for all parties is \$4.2m to complete.
8			NEW	Arranmore Heritage Building (Barn) Emergency Strengthening	0	0	55,000	0	0	0		55,000	55,000	Transfer \$40k in from Kingston Library Renewals project 000880, and \$15k from Old High School Block B project 00773 for emergency strengthening works to new Arranmore Heritage Building.
9			000880	Kingston Library Renewals	40,680	0	-40,000	0	0	0		680	-40,000	Strengthening works completed 18/19. Transfer \$40k to new Arranmore Heritage Building emergency strengthening.
10			000773	Old High School Block B	45,510		-26,600	0	0	0		18,910	-26,600	Air conditioning/heating no longer required as advised by users. Transfer \$15k to Arranmore Heritage Building emergency strengthening and \$11.6k to Old St John Building project 000959.
11			000958	Qtn Old St John Building Fire Reinstale	23,400		11,600	0	0	0		35,000	11,600	Transfer in \$11.6k from Old High School Block B project 000773 for change of use to Laundry consent. Will result in additional income through lease.
12			000231	AMP Improvements - Property	71,681		29,548	0	0	0		101,229	29,548	Transfer in \$18k from project 000230 AMP Improvements Libraries and \$11k from project 000467 AMP Improvements Buildings to cover assessment reports.
13			000467	AMP Improvements - Buildings	26,451		-11,242	0	0	0		15,209	-11,242	Transfer out to project 000231 AMP Improvements Property.
14			000964	Wanaka Rec Centre Prefab	244,791		345,400	0	0	0		590,191	345,400	Increased budget of \$345k required due to tenders above budget. Fund through Gas Capture Facility project 000745 surplus.
		Buildings and Libraries Total			29,273,038	0	345,400	-24,907,833	18,306	0	0	4,728,911	-24,544,127	
15	CEO	Information Management	000145	ICT Projects	385,436	0	300,000	0	0	0		685,436	300,000	\$250k required for on premise ICT infrastructure (replacement of end of life storage/servers) and \$50k required for technology for Council Chambers. \$75k to be transferred from GIS project 000151. \$225k new budget required. Fund through Gas Capture Facility project 000745 surplus.
16			000151	GIS software and projects	127,250	0	-75,000	0	0	0		52,250	-75,000	Reduced external consultancy required for GIS Enterprise upgrade. Transfer out \$75k to new project for on premise storage system.
		Information Management Total			512,686	0	225,000	0	0	0	0	737,686	225,000	
17	INF	Solid Waste	000745	Gas Capture Facility	1,876,100	0	-570,400	0	0	-1,305,700		0	-1,876,100	Costs will now be covered through Opex - Capex surplus to be reallocated to other Capex projects.
		Solid Waste Total			1,876,100	0	-570,400	0	0	-1,305,700	0	0	-1,876,100	
18	CMTY	Venues and Facilities	000836	Alpine Aqualand building renewals (HJ)	340,441		-240,000	0	157,731	0		258,172	-82,270	Transfer \$240k to QEC Roof & Ventilation improvements project 000998 for initial costs incurred in planning and design and to remove ceiling tiles.
19			000913	Artificial Turf Programme	2,522,089		-2,400,000					122,089	-2,400,000	Transfer to QEC Roof and Ventilation improvements
20			000112	Athenaeum Hall Improvements	0		67,788					67,788	67,788	Significant repairs required to hall roof not budgeted. Budget to come from 5 other Athenaeum Hall projects which will no longer go ahead to cover the additional costs.
21			000797	Athenaeum Hall - Renewals (Watershed)	11,187		-11,187					0	-11,187	
22			000843	Athenaeum Hall - Alarm panel	9,365		-9,365					0	-9,365	
23			000889	Athenaeum Community Hall	37,066		-37,066					0	-37,066	Transfer to Athenaeum Hall roof capex project 000112 due to reprioritisation
24			000985	Athenaeum Hall - Supper room	5,085		-5,085					0	-5,085	
25			000986	Athenaeum Hall - Exterior woodwork	5,085		-5,085					0	-5,085	
26	INF		000998	QEC Roof and Ventilation improvements	2,327,000		2,640,000	0	0	0		4,967,000	2,640,000	Transfer in \$240k budget from Alpine Aqualand building renewals project 000836 to separately allocate the costs incurred to date for removal of the ceiling tiles.
		Venues and Facilities Total			5,257,318	0	0	0	157,731	0	0	5,415,048	157,731	
27	CMTY	Parks and Reserves	New	Frankton Campground	0	858,000	0	0	0	0		858,000	858,000	Project to develop the Frankton campground in line with the responsible camping strategy to return the campground to short-term recreation accommodation only. This includes playground and landscaping design, asbestos surveys/removal, site clearance, tree removal, as well as construction/upgrade works to existing kitchen and ablution facilities. There is the intention that part or all be repaid for by the new incoming lessee at the camp.
28			000917	Arrowtown Skate Park	159,000	0	0	-130,000				29,000	-130,000	Estimate \$439k. Defer to 21/22. Additional budget required to be considered through 21/22 LTP process
29			000428	Queenstown Gardens Development Plan	1,271,999	0	0	-750,000				521,999	-750,000	Defer to 20/21. Delay due to consenting issues.
30			000926	McBride Park car parking	86,190	0	66,000	0	0	0		152,190	66,000	Transfer in \$66k from project 000058 Wakatipu Minor Improvements (roading) to cover increased costs on agreed tender.
		Parks and Reserves Total			1,517,189	858,000	66,000	-880,000	0	0	0	1,561,189	44,000	
31	INF	Transport	000058	Wakatipu Minor Improvements (roading)	892,585	0	-66,000	0	0	0		826,585	-66,000	Transfer out \$66k to project 000926 McBride Park car parking to cover increased costs on agreed tender.
32			000788	Queenstown Parking Improvements	2,410,110	0	0	-500,000	0	0		1,910,110	-500,000	Defer \$500k to 21/22. Boundary St project awaiting consent notification. Ballarat St project removed.
33			000914	Travel Management QT	1,838,413	0	0	-1,500,000	0	0		338,413	-1,500,000	Defer \$1.5m to 21/22. As above.
34			000529	Town Centre Arterials	5,676,909	0	0	-4,900,000	0	0		776,909	-4,900,000	Defer \$4.9m to 21/22. Dependent on NZTA approved business case.
35			000868	Wakatipu Active Travel Network	8,362,142	0	0	-7,065,000	0	0		1,297,142	-7,065,000	Defer \$7m to 21/22. Recently approved business case has now defined the programme.
36			000527	Queenstown Public Transport Hub in CBD	5,324,275	0	0	-5,200,000	0	0		124,275	-5,200,000	Defer \$5.2m to 20/21. In final phase of detailed business case, still to be completed.
37			000850	Queenstown Town Centre Pedestrianisation	3,811,644	0	0	-2,100,000	0	0		1,711,644	-2,100,000	Defer \$2.1m to 21/22. Dependent on NZTA approved business case.
38			000747	Frankton Flats Masterplan	277,927	0	-50,000	0	0	0		227,927	-50,000	Transfer \$50k to project 001008 Ladies Mile Masterplan.

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39			000739	Wanaka Town Centre Masterplan	2,325,728	0	0	-1,795,000	0	0		530,728	-1,795,000	Defer \$335k to 20/21 and \$1.46m to 21/22. Single stage business case for network optimisation to run 2019-2021 to define the programmes. Detailed business cases to be completed 20/21.
40			001008	Ladies Mile Masterplan	80,000	0	50,000		0	0		130,000	50,000	Transfer in \$50k from project 000747 Frankton Flats Masterplan.
41			000903	Shotover Bridge Arthurs Point	0		0	0	500,000	0		500,000	500,000	Bring forward \$500k from 28/29 to progress business cases for potential second crossing (Edith Cavell Bridge duplication)
42			000580	Ballantyne Road	3,904,839			-3,457,289				447,550	-3,457,289	Defer \$3.5m to 20/21. A Detailed Business Case was prepared for the upgrade to Ballantyne Road and approved for funding assistance by NZTA in May earlier this year. The approved NLTP total cost budget is \$6.4m with a 51% subsidy. Safety improvements include; a sealed surface, a low speed environment by design and one metre wide sealed shoulders to allow for walking and cycling. Detailed design is underway and expected to be complete February 2020, with construction works planned to align with the 2020/21 sealing season.
		Transport Total			34,904,571	0	-66,000	-26,517,289	500,000	0		8,821,282	-26,083,289	
43	INF	Water Supply	000887	Hanley's Farm new Reservoir (Coneburn)	2,317,924			-2,317,924				0	-2,317,924	Defer to 21/22
44		Waste Water	000937	Hanley's Farm PS & Rising/Falling mains (Coneburn)	924,260			-924,260				0	-924,260	Defer to 21/22
45			001006	CBD to Frankton WW Reticulation	0	0	0	0	80,000	0		80,000	80,000	Bring forward \$80k from 21/22 to support business case development (e.g. design and QS)
		3 Waters (Non PMO) Total			3,242,185	0	0	-3,242,185	80,000	0	0	80,000	-3,162,185	
46	INF	Building	000286	Lakeview - Other Infra	2,801,247			-2,801,247	0	0		0	-2,801,247	Defer 50% \$1,400,623 to 20/21 & balance to 21/22
47		Transport	000285	Lakeview Development - Transportation	1,183,069			-1,063,069				120,000	-1,063,069	Defer to 20/21
48			000794	Lakeview Development Road and Public Realm	2,556,243			-2,386,243				170,000	-2,386,243	Defer \$794 to 20/21 & balance to 21/22
49			000893	Lakeview Development Market Square	1,791,501	0	0	-1,661,501	0	0		130,000	-1,661,501	Defer to 21/22
		Lakeview Total			8,332,060	0	0	-7,912,060	0	0	0	420,000	-7,912,060	
50	INF	Three Waters PMO	000366	Recreation Ground new WW Pump Station	3,267,525						460,821	3,728,346	460,821	
51			000625	Project Pure WWTP upgrade	891,220						-7,393	883,827	-7,393	
52			000892	Project Shotover WWTP upgrade	348,979						1,780,104	2,129,082	1,780,104	
53			000858	Kingston HIF Stormwater new scheme	800,542						6,635	807,178	6,635	
54			000779	Hawea WW Cxn to Project Pure WWTP	356,300						3,052,841	3,409,141	3,052,841	
55			000888	Arrowtown new WPS & bores	1,757,918						131,200	1,889,118	131,200	
56			000944	North Wanaka new WW conveyance scheme	1,024,783						256,754	1,281,537	256,754	
57			000369	Capell Ave Hawea Watermain extension	676,770						27,058	703,828	27,058	
58			000863	Kawarau Bridge Remarks Pk WW Rising Main	212,996						687,122	900,118	687,122	
59			000883	Luggate new WWPS & Cxn to Project Pure	809,417						-54,395	755,022	-54,395	
60			000728	N East Frankton Stormwater conveyance	2,413,224						445,632	2,858,856	445,632	
61			000553	Frankton WS Rising Main (Robertson St)	326,841						17,685	344,525	17,685	
62			000281	Shotover Country Rising Main (bridge)	1,426,459						1,133,261	2,559,720	1,133,261	
63			000280	Shotover Country WS new WTP	2,275,218						4,755,835	7,031,053	4,755,835	
64			000762	Beacon Point new Water Treatment Plant	885,660						-512,617	373,043	-512,617	
65			000875	Two Mile new Water Treatment Plant	300,000						-31,182	268,818	-31,182	
66			000778	Quail Rise Reservoir Falling Main	651,672						-560,221	91,451	-560,221	
67			000777	Quail Rise Reservoir Rising Main	839,692						-504,945	334,746	-504,945	
68			000790	Ladies Mile Reservoir & WS trunk mains	1,981,659						-1,552,927	428,732	-1,552,927	
69			000939	Arrowtown new Reservoir	1,939,791						-1,532,030	407,761	-1,532,030	
70			000518	Beacon Point new Reservoir	4,511,610						-1,752,337	2,759,274	-1,752,337	
71			000942	Kelvin Peninsula new Reservoir	1,137,426						-653,827	483,599	-653,827	
72			000936	Quail Rise new Reservoir	2,383,380						-1,054,412	1,328,969	-1,054,412	
73			000943	Project Pure FOG Treatment facility	81,440						-78,662	2,778	-78,662	
74			000871	Project Shotover FOG Treatment facility	123,789						-120,906	2,883	-120,906	
75			000283	Lakeview Development SW servicing	1,245,988						-895,725	350,263	-895,725	
76			000385	Lakeview Development WS servicing	426,016						-379,394	46,623	-379,394	
77			000384	Lakeview Development WW servicing	271,312						-4,901	266,412	-4,901	
78			000786	Ladies Mile HIF Stormwater new scheme	594,209						-578,187	16,022	-578,187	
79			000771	Ladies Mile HIF Wastewater new Scheme	574,778						-558,864	15,914	-558,864	
80			000817	Ladies Mile HIF Water Supply new scheme	930,080						-893,487	36,593	-893,487	
81			000909	Kingston HIF Wastewater new scheme	2,972,452						-278,407	2,694,045	-278,407	
82			000930	Kingston HIF Water Supply new scheme	1,641,944						-288,467	1,353,478	-288,467	
83			000941	Wanaka Water Trunk Main stage 1	4,491,532						-3,848,706	642,825	-3,848,706	
84			000938	Wanaka Water Trunk Main stage 2	335,940						-311,641	24,299	-311,641	
85			000945	Anderson Heights new SW pipeline	553,337						-542,188	11,149	-542,188	
86			000791	Belfast Rd new SW pipeline	54,420						-49,954	4,466	-49,954	
87			000946	Belfast Terrace new SW pipeline	1,138,736						-1,126,241	12,495	-1,126,241	
88			000907	Kawarau Place duplicate SW pipeline	83,403						-53,137	30,266	-53,137	
89			000878	Magnolia Place duplicate SW pipeline	75,282						-55,196	20,086	-55,196	
90			000922	Queenstown SW upgrades existing pipes	74,840						-70,347	4,493	-70,347	
91			000947	Windsor Place - Edinburgh Dr new SW pipe	87,489						-77,440	10,050	-77,440	
92			000847	Aubrey Rd Rec Reserve SW detention pond	27,344						-15,184	12,160	-15,184	
93			000950	Bills Way SW pipeline replacement	286,200						-113,647	172,553	-113,647	
94			000899	Bremner Park Rd - Lake new SW outlet	57,929						-43,120	14,809	-43,120	
95			000905	Luggate New WTP, PS & pipeline to airport	1,870,953						-1,045,960	824,993	-1,045,960	
96			000023	Luggate WW reticulation extension	377,313						-273,085	104,228	-273,085	
97			000949	Mt Aspiring College SW drainage upgrade	679,218						-448,802	230,415	-448,802	
98			000371	Three Parks catchment new SW outlet	208,943						-173,149	35,794	-173,149	
99			000948	Wiley Rd - Beacon Pt new SW outlet	343,470						-116,942	226,528	-116,942	
100			000345	Arthur's Point WTP minor upgrades	370,627						-370,627	0	-370,627	
101			000361	Glenorchy Reservoir upgrade	1,187,165						-176,109	1,011,056	-176,109	
102			000001	Glenorchy WS Bore upgrades	203,600						-131,069	72,531	-131,069	
103			000940	Glenorchy WS new WTP and building	722,780						-596,762	126,018	-596,762	
104			000881	Hawea WTP minor upgrades	203,600						-203,600	0	-203,600	
105			000464	Project Shotover - Disposal Field	18,189						-18,189	0	-18,189	
106			000862	Quail Rise HIF WW servicing	63,691						-58,126	5,565	-58,126	
107			000279	Shotover Country WS new Bore PS	242,079						-201,511	40,568	-201,511	
108			000781	Willow Place WWPS Rising Main upgrade	2,641,380						-2,460,790	180,590	-2,460,790	
		Three Waters PMO Total			56,480,551	0	0	0	0	0	-12,119,857	44,360,694	-12,119,857	
		Grand Total			141,395,698	858,000	0	-63,459,367	756,037	-1,305,700	-12,119,857	66,124,811	-71,170,888	

In July 2018, the Property and Infrastructure Group engaged ArcBlue to assist in the development of its strategic procurement plan for delivering Council's ambitious 3 Waters Capex programme. As part of that work a Project Management Office (PMO) was created to deliver the 3 Waters projects. Projects were bundled into packages of work to encourage interest from the market and two panels were formed to deliver the programme (3 Waters Design and 3 Waters Contract Works). This approach has been widely supported by the industry.

In November 2018, the programme was re-baselined to reflect the new programme delivery approach.

There are a number of variations to the programme since then, including:

- Delays in work on Shotover Water treatment upgrades
- Delayed spend on Frankton Flats Stormwater, Lakeview infrastructure and Kingston HIF
- Postponed investment in 3 Waters infrastructure associated with Ladies Mile and Kelvin Heights due to a delay in private development
- Costs associated with land purchase in Wanaka for a future reservoir
- Project Pure wastewater treatment plant increase due to improved scope definition for capacity upgrade requirements and resilience along with Improved understanding of risk profile & market cost escalation
- Wanaka Water Trunk main stage 2 scope change as a result of the Wanaka Water Masterplan revisit
- Note, Programme contingency was originally incorporated into Project Budgets but is now shown as a separate line item to enable improved Governance.

In September 2019 the PMO engaged WT Partnership (Quantity Surveyors) to undertake a review of the 3 Waters programme to provide estimated 'costs to complete' for each project. This identified a number of variations in the total cost of delivering projects compared to LTP budgets. Initial estimates of project costs for the LTP were based on high-level design only and therefore accurate to +/- 30%. The more recent 'costs to complete' estimates are based on more developed designs and although the accuracy varies per project, overall the WT Partnership estimates are accurate to approximately +/- 10%.

Overall programme spend is slightly behind the 2018 re-baselined programme, however it is expected to be consistent with forecast by the end of the 19/20 financial year. The release of tenders to panel members has been broadly consistent with the programme. Five design bundles have been awarded to Design Panel members, one construction contract and two Early Contractor Engagement (ECI) bundles have been awarded to the Contracts Work Panel. It is anticipated that some significant construction projects will continue into the 2021-2022 financial year and the additional cost of delivering the programme is broadly realised in the 2021-2022 Financial year.

See attached appendix which shows the comparison of 2018-28 adjusted LTP Budgets Vs WTP Estimates (In 2019/20 \$'s).