Full Council

12 November 2026

Report for Agenda Item | Rīpoata moto e Rāraki take [11]

Department: Property & Infrastructure

Title | Taitara: Wānaka Refuse Transfer Station | Main Contractor Procurement Delegation

Purpose of the Report | Te Take mō te Pūroko

The purpose of this report is to seek Queenstown Lakes District Council (QLDC) approval of the Procurement Plan for delivery of the new Wānaka Refuse Transfer Station and to provide an update on the project progress, cost estimates and programme milestones since Council endorsed the preferred solution in September 2025.

Executive Summary | Whakarāpopototaka Matua

Council is progressing the development of a new Wānaka Refuse Transfer Station (RTS) to replace the existing facility, which faces capacity constraints, operational inefficiencies, health and safety challenges, and increasing compliance risks. The new facility at Ballantyne Road will provide capacity for projected growth in the Wānaka-Upper Clutha area, improve resource recovery outcomes, and enable replacement of the existing facility before its stormwater discharge consent expires in April 2028.

Following Council approval of a staged delivery approach in September 2025, Detailed Design for Stage 1 has now been completed. Stage 1 will deliver a new 700m² transfer station building and associated infrastructure sized to meet forecast demand through to 2050, with Stage 2 proposed around 2036/37 to provide additional peak-capacity requirements.

The current Stage 1 forecast cost is $19.66 million, compared with an approved budget of $19.39 million. While this represents a forecast shortfall of approximately $270,000, the project retains significant contingency and has not yet been market tested. Any budget adjustment will be considered following completion of the procurement process.

Construction procurement for Stage 1 is proposed to commence in November 2026, with completion targeted for February 2028. The construction works, valued at approximately $12.90 million (including contingency), will be procured through a single open-market contract. Tenders will be evaluated using a weighted attributes model comprising 60% price and 40% non-price criteria, including capability, capacity, experience and methodology, to ensure value for money and successful project delivery.

Officers seek Council approval of the Procurement Plan and delegation to the Chief Executive to award and execute the construction contract following completion of the procurement process, provided the contract value remains within the approved project budget. This approach maintains Council oversight while avoiding unnecessary delays to project delivery.

Recommendation | Kā Tūtohuka

That the Council:

1. **Note** the contents of this report;

2. **Note** progress on the Wānaka Refuse Transfer Station project against the preferred staged solution previously reported to Council;

3. **Approve** the Procurement Plan for the open-market procurement of a contractor to construct the new Wānaka Refuse Transfer Station; and

4. **Delegate** authority to the Chief Executive to award and execute the construction contract resulting from the procurement process, up to a maximum contract value of $12.90M.

Prepared by:



Name: Simon Mason
Title: Infrastructure Operations Manager

14 October 2026

Reviewed and Authorised by:



Name: Tony Avery
Title: General Manager, Property & Infrastructure
22 October 2026

Context | Horopaki

Background

1. Investment in the Wānaka Refuse Transfer Station (RTS) is identified in the 2024-34 Long Term Plan (LTP) as part of the Waste Minimisation and Management capital investment programme, and subsequently through the 2026/27 Annual Plan process with an approved budget of $19.39 million.

2. In September 2025, Council endorsed a staged development approach and approved progression into Detailed Design for Stage 1. The total project cost for Stage 1 is currently estimated at $19.66 million. The Detailed Design is complete and the project is preparing to enter procurement. Subject to the decisions sought through this report, construction procurement is proposed to commence in November 2026, with construction targeted for completion in February 2028.

3. The existing Wānaka RTS is operating under increasing pressure due to growth in the Wānaka and Upper Clutha area. The facility faces a range of capacity, compliance, environmental, operational and health and safety challenges that limit its ability to efficiently meet current and future service demands. *Figure 1* below shows the location of the existing facility.

4. A key constraint is the facility's stormwater discharge consent, which has been extended until April 2028. Previous advice to Council noted that obtaining a further extension is unlikely without significant investment in the existing site. As a result, Council must either undertake substantial upgrade works at the current facility or progress an alternative long-term solution before the consent expiry date.

5. The preferred solution previously endorsed by Council is a new facility located on the Ballantyne Road site, adjacent to the existing facility, delivered in a staged approach. This investment was identified through the Single Stage Business Case (SSBC) as providing the best balance of cost, benefit and risk, while addressing resource consent requirements, safety concerns, providing adequate capacity for forecast growth, and maintaining flexibility for enhanced material diversion in the future.

6. The staged approach proposes the main construction works (Stage 1) occurring in 2026/27 and an expansion (Stage 2) forecast for circa 2036/37 to respond to future growth in waste processing requirements in the Wānaka-Upper Clutha area.

7. The project has progressed through detailed design and remains on track to deliver the solution endorsed by Council. Detailed design is now complete, with no material changes identified to the approved scope

8. The Stage 1 project scope includes a new enclosed transfer building, public and operational yard areas, upgraded stormwater management infrastructure, and provision for future expansion.



Figure 1: Extended site following land acquisition
(Original site in *pink* and the acquired site in *teal*)

9. Detailed design was completed in September 2026. The next key project milestones are:

    - construction contractor procurement - November 2026 (subject to Council approval of the recommendations within this report);
    - commencement of construction – March 2027; and
    - target completion - February 2028.

    These milestones align with the project's objective of replacing the existing facility prior to the expiry of the current stormwater consent in April 2028.

Design Update

10. The Wānaka RTS design team has progressed the Stage 1 scope. The overall site layout is presented in *Figure 2*, below. This provides context for the location of the RTS facility, alongside the new access and the circulation road for users through this waste precinct. This circulation provides stronger connectivity within the waste precinct, linking the proposed RTS site with Wastebusters and Wānaka Greenwaste.



Figure 2: Proposed overall site layout
Wastebusters – Red Wānaka Greenwaste – Green New Wānaka RTS – Blue

11. *Figure 3* provides an overview of the proposed Wānaka RTS facility, which has been designed to improve operational efficiency, separate public and commercial vehicle movements, increase capacity and provide opportunities for increased resource recovery.

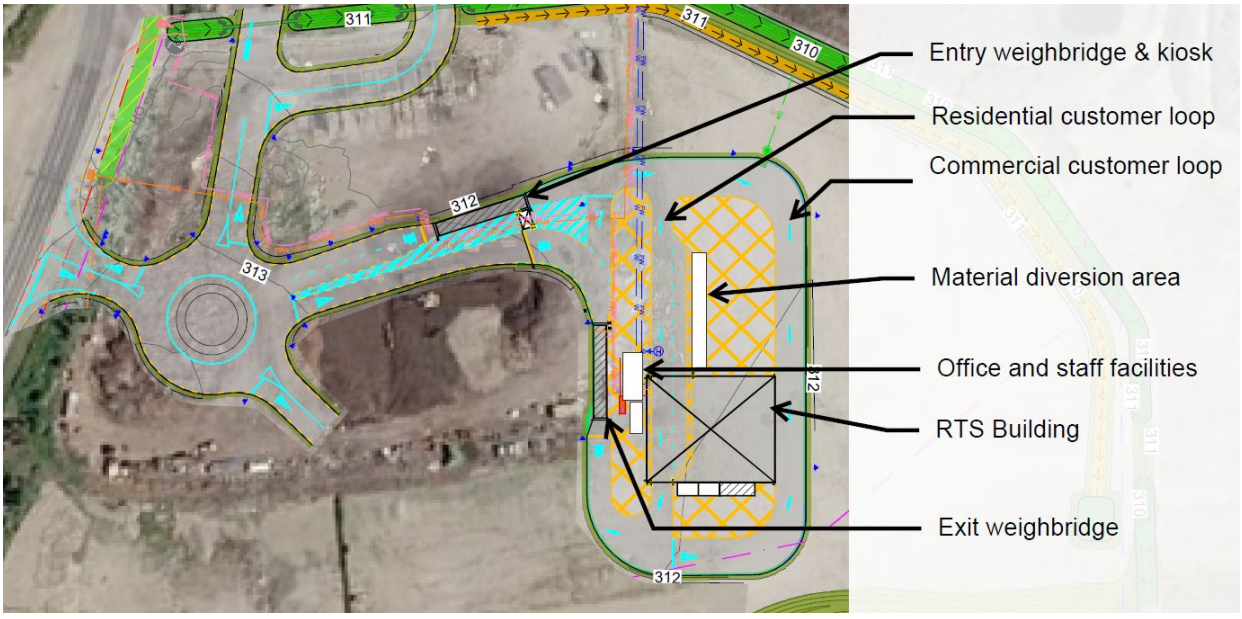


Figure 3: Proposed RTS facility layout

12. Key design features include separation of residential and commercial vehicle movements to improve safety and reduce congestion, a dedicated exit weighbridge to improve traffic flow through the site, and dedicated resource recovery areas that support waste minimisation and diversion from landfill.

13. *Figure 4* illustrates the proposed enclosed transfer building. The facility has been designed to provide a durable, efficient and low-maintenance waste transfer operation, with features that support safe operations, improved environmental management and reduced whole-of-life maintenance costs.

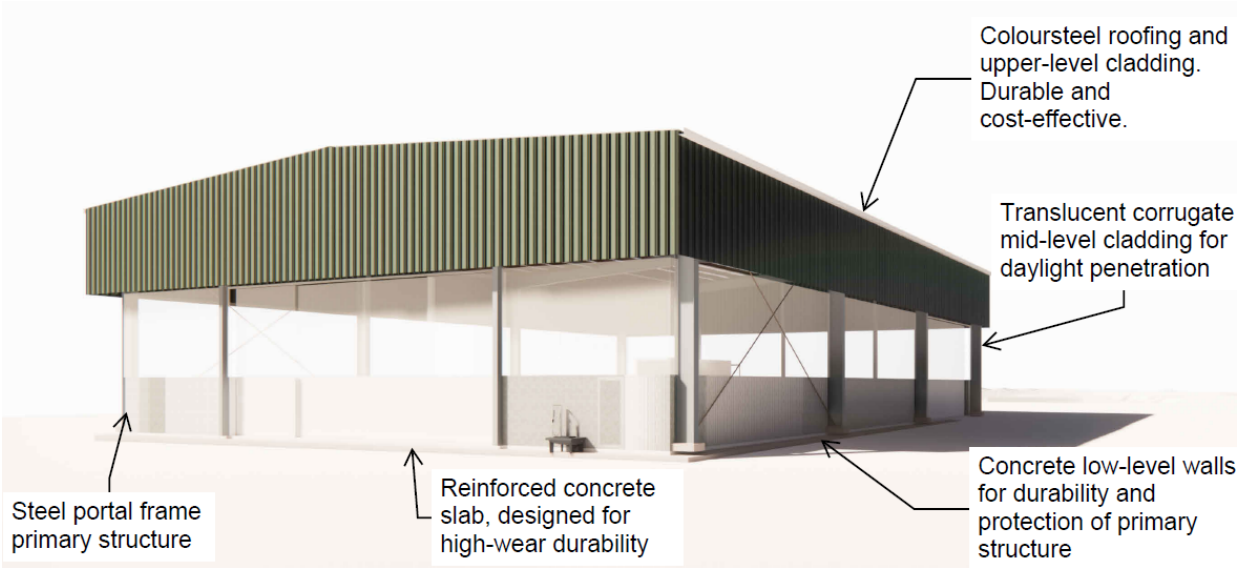


Figure 4: Perspective of the proposed main RTS building

Delivery Programme and Key Dependencies

14. The project remains achievable within the programme required to replace the existing facility before expiry of the current stormwater discharge consent in April 2028. However, the programme contains limited float and successful delivery is dependent on several key activities being completed within the planned timeframes. Key delivery dependencies include:

- Completion of contaminated land investigations and implementation of any required management measures identified during construction.
- Relocation and integration of Wānaka Greenwaste activities within the broader waste precinct, ensuring continued site access and operational continuity throughout construction.
- Receipt and ongoing compliance with required resource and building consents.
- Procurement and delivery of long-lead items, including structural steel, weighbridge equipment, and specialist operational infrastructure.

- Timely award of the construction contract in early 2027 to maintain the target completion date of February 2028 and allow contingency before consent expiry in April 2028.

15. Officers are actively managing these dependencies through the project governance framework. While none are currently expected to prevent delivery within the required timeframe, delays to one or more critical-path activities could reduce the limited contingency available within the programme.

Main Contractor Procurement

16. The Stage 1 works will be delivered through a single construction contract with an estimated value $12.90 million, including construction contingency of $1.65 million. This approach aligns with the developed design package and provides a clear allocation of delivery responsibility, programme accountability, and health and safety obligations.

17. Officers recommend procuring the works through an open-market tender process. Given the scale and value of the project, this approach is expected to maximise market participation, promote competitive tension, and provide Council with the best opportunity to achieve value for money while maintaining a fair and transparent procurement process.

18. The proposed procurement methodology will assess suppliers against capability, capacity, relevant experience, methodology and price. This approach balances competitive pricing with the need to appoint a suitably qualified and experienced contractor capable of successfully delivering the works.

19. Tenders will be evaluated using a weighted attributes model, with non-price attributes contributing 40% of the overall score and price contributing 60%. This weighting reflects the importance of contractor capability, experience and methodology in delivering a complex infrastructure project, while maintaining a strong focus on value for money.

20. The evaluation panel will comprise QLDC representatives and independent external advisors with relevant technical and procurement expertise.

21. Further details of the proposed procurement approach are provided in the attached Procurement Plan.

Analysis and Advice | Tatāritaka me kā Tohutohu

22. This report identifies and assesses the following reasonably practicable options for addressing the matter as required by section 77 of the Local Government Act 2002.

23. Option 1: Approve the Procurement Plan and delegate authority to the Chief Executive to execute the construction contract within the approved project budget (Recommended)

Advantages:

- Enables the construction procurement process to proceed in accordance with the project programme.
- Retains Council oversight of the procurement strategy through approval of the Procurement Plan.
- Maintains appropriate executive oversight by requiring the Chief Executive to confirm that the procurement approach and contract award are consistent with Council policy and remain within the Council-approved project budget.
- Supports delivery of the project before expiry of the existing stormwater discharge consent in April 2028.

Disadvantages:

- Elected members would not review the tender outcome prior to contract award, provided the contract value remains within the approved project budget.

24. Option 2: Approve the Procurement Plan but require a further Council decision before construction contract award

Advantages:

- Provides elected members with an opportunity to consider the tender outcome before the contract is committed.
- Retains direct Council oversight of both the procurement approach and the contract award decision

Disadvantages:

- Requires additional reports and Council decisions before procurement can proceed and before the construction contract can be executed.
- Requires a further Council decision before contract award. Any delay in obtaining approval may postpone contract execution, delay completion of the new facility, and reduce the available contingency before expiry of the existing stormwater discharge consent in April 2028.
- Programme delay could increase the risk that the new facility is not completed before the existing facility's stormwater consent expires in April 2028.
- Any delay could expose the project to additional escalation, procurement and holding costs.

25. Option 3: Do not approve the Procurement Plan at this time

Advantages:

- Provides Council with an opportunity to seek further information or amendments to the proposed procurement approach before authorising the procurement process.
- Enables Council to reconsider the procurement strategy, evaluation methodology, project scope or delivery approach if it *considers changes are warranted.*

Disadvantages:

- Construction procurement cannot proceed until a Procurement Plan is approved by Council.
- Delays commencement of the procurement process and subsequent construction contract award.
- May delay completion of the new facility and reduce programme contingency ahead of the expiry of the existing stormwater discharge consent in April 2028.
- May result in additional project costs through construction market escalation, consultant support, and extended project delivery timeframes.
- May require the existing facility to remain operational for longer than currently planned, potentially increasing operational, compliance and consent-related risks.

26. This report recommends **Option 1** as it provides an efficient and accountable approval pathway for the main contractor procurement, maintains appropriate Chief Executive oversight, and supports delivery of the project within the Council-approved budget and programme.

Consultation Process | Hātepe Matapaki

Significance and Engagement | Te Whakamahi I kā Whakaaro Hiraka

27. This matter is assessed as being of low significance by reference to Council's Significance and Engagement Policy. The decision relates to the Delegation of Authority for a Procurement Plan and construction contract execution, to support delivery of a project identified in the 2024-34 Long Term Plan.

28. The project is already identified in the 2024-34 Long Term Plan, has previously been considered by Council, and remains consistent with existing Council plans and strategies. While the proposed level of investment may be of interest to the community, particularly in Wānaka and the Upper Clutha, the decision does not materially change an approved level of service or strategic direction.

29. Persons affected by or interested in this matter include users of the existing and future RTS facilities, neighbouring operators including Wastebusters, Wānaka Greenwaste and Waste Management NZ, residents and ratepayers across the district, and commercial operators who rely on transfer station services.

30. Engagement with key site stakeholders has continued through design development, with feedback being used to refine operational arrangements for the new facility. Given the project is already identified within the Long Term Plan and the decision sought relates primarily to project delivery, no additional public engagement is considered necessary for this decision.

Māori Consultation | Iwi Rūnaka

31. QLDC engaged with iwi during the concept phase of the project in late 2024 to provide an update on the land acquisition and proposed development. Key areas of interest identified through that engagement included stormwater management, site runoff and potential environmental effects. Further engagement will be undertaken as part of the consenting process and ongoing project development to support consideration of these matters and any associated cultural or environmental impacts.

Risk and Mitigations | Kā Raru Tūpono me kā Whakamaurutaka

32. This matter relates to the Environmental risk category. It is associated with RISK10029 Ineffective compliance management practices within the QLDC Risk Register. This risk has been assessed as having a high residual risk rating.

33. Approval of the delegation will allow Council to avoid the risk. This will be achieved by enabling timely progression of the new facility, which is designed for compliance with Resource Consents and other environmental management controls associated with the site's activities.

34. This matter also relates to the Community & Wellbeing risk category. It is associated with RISK10048 Health, safety or wellbeing incident affecting member of the public within the QLDC Risk Register. This risk has been assessed as having a moderate residual risk rating.

35. Approval of the delegation will allow Council to implement additional controls for this risk. This will achieved by enabling timely progression of the new facility, which will have more advanced and appropriate mitigations/controls to separate and protect members of the public, employees and commercial users.

36. This matter also relates to the Strategic/Political/Reputation risk category. It is associated with RISK10056 Ineffective provision for the future planning and development needs of the district within the QLDC Risk Register. This risk has been assessed as having a moderate residual risk rating.

37. Approval of the delegation will allow Council to avoid the risk. This will be achieved by enabling timely progression of new the new facility that is adequately sized for the growth of the district and waste volumes expected over the next 30 years.

Financial Implications | Kā Riteka ā-Pūtea

Approved Budget

38. Prior to the current 2024-34 LTP, project costs of $3.59 million were incurred, including acquisition of the Ballantyne Road property, business case development, design activities and associated project costs.

39. The 2024-34 LTP then outlined a budget of $10.45 million (escalated to 2026), which brought the total project budget to approximately $14.04 million (including the costs incurred before this LTP).

40. The previous Council report on 4 September 2025 identified a Stage 1 total project cost estimate of $18.5 million for the endorsed option approved in the business case. This cost estimate was based on Concept Design information. This Stage 1 project cost estimate exceeded the LTP allowance and a total funding shortfall of $5.35 million was identified.

41. To fund this shortfall, a reallocation of funds from *Project 001248 - New Waste Facilities* to *Project 001260 - Wānaka Waste Facilities*, has been approved through the 2026/27 Annual Plan process. This reallocation provided an additional $5.35 million to the Wānaka Waste Facilities project.

42. Therefore, the overall approved project budget is $19.39 million, comprising the following:

Funding item	Value
Project spend prior to 2024-34 LTP	$3.59M
Budget within 2024-34 LTP	$10.45M
Funding reallocated to Wānaka Waste Facilities project in 2026/27 AP	$5.35M
Total approved budget	**$19.39M**

Spend to date

43. Approximately $5.28 million has been invested in the project to date. This is tabulated below:

Spend item	Value
Land acquisition	$3.59M
Technical design and specification, PM, and QS	$1.49M
Internal QLDC costs	$0.10M
Pre-construction activities and consents	$0.10M
Total spend to date	**$5.28M**

Project Cost Estimates

44. The previous Council report on 4 September 2025 identified a Stage 1 total project cost estimate of $18.5 million. This cost estimate was based on Concept Design information.

45. Since that time, the estimates of construction and other project costs have been refined through the Detailed Design process. Incorporating these changes, the latest Stage 1 project cost estimate is approximately $19.66 million. Of this, the estimated construction contract value, including contingency, is $12.90m.

46. A breakdown of the latest Stage 1 project cost estimate is below:

Item	Value
Land Acquisition	$3.59M
Estimated Construction costs	$11.25M
Construction contingency (15%)	$1.65M
Technical design and specification, PM, and QS	$2.87M
Consents	$0.05M
QLDC Internal Costs	$0.06M
On-costs contingency	$0.19M
Stage 1 project cost estimate	**$19.66M**

47. The current forecast project cost exceeds the approved budget by approximately $270,000. However, the project continues to retain a significant contingency allowance and remains subject to market testing through the procurement process. It is therefore proposed that any request for additional budget be deferred until the procurement process has been completed and greater certainty is available regarding the final contract value and overall forecast cost to complete.

Value of Delegation

48. The financial implication of the delegation requested in this paper is approximately $12.90 million, which is the estimated value of the construction contract and the construction contingency. Approval of this delegation will allow Council officers to procure, execute, and manage the contract.

Funding

49. The current Revenue and Financing Policy provides for waste management services to be funded through a combination of 75% user charges and 25% rates. The proposed capital investment programme, together with increasing operational costs associated with delivering waste services, is expected to place upward pressure on waste disposal charges and transfer station gate fees.

50. As part of the 2027-37 Long Term Plan process, further work is being undertaken to model future waste-related capital expenditure, operating costs, demand projections, and revenue streams. This analysis will help inform the most appropriate and sustainable long-term funding and financing approach for waste management services.

51. There is a risk that, under the current 75/25 funding split, transfer station disposal charges may need to increase to a level that reduces their competitiveness relative to alternative disposal options outside the district. This may incentivise waste to be diverted elsewhere or contribute to an increase in illegal dumping, reducing volumes processed through Council facilities and associated fee revenue. If unmanaged, this could place further upward pressure on future disposal charges. Should these risks materialise, Council may need to consider whether the current balance between user charges and rates funding remains appropriate and consistent with the objectives of the Revenue and Financing Policy.

52. Opportunities to recover an appropriate share of growth-related waste infrastructure costs through Development Contributions will also be explored. Given the significant growth pressures experienced across the district, there is a strong principle that infrastructure capacity required to service growth should, where legislative provisions allow, be funded by growth rather than existing ratepayers and users. Council will also monitor the Government's proposed Development Levies reforms to determine whether future waste infrastructure investment may be eligible for recovery under the new framework.

Council Effects and Views | Kā Whakaaweawe me kā Tirohaka a te Kaunihera

53. The following Council policies, strategies and plans were considered:

- QLDC Strategic Framework;
- Climate and Biodiversity Plan 2025-28;
- 2024-34 LTP and 30 Year Infrastructure Strategy;
- Waste Management and Minimisation Plan 2025;
- Waste Minimisation and Management Asset Management Plan; and
- The project is identified in the LTP as part of the Waste Minimisation and Management capital investment programme and remains aligned with planned activity to facilitate more resource recovery, improve health and safety and increase capacity.

Legal Considerations and Statutory Responsibilities | Ka Ture Whaiwhakaaro me kā Takohaka Waeture

54. No material legal issues have been identified in relation to the delegation sought through this report. Legal considerations associated with procurement, resource consenting, property matters and project delivery will continue to be managed through the normal course of project governance and implementation.

Local Government Act 2002 Purpose Provisions | Te Whakatureture 2002 o te Kāwanataka ā-Kīaka

55. Section 10 of the Local Government Act 2002 states the purpose of local government is (a) to enable democratic local decision-making and action by, and on behalf of, communities; (b) to meet the current and future needs of communities for good-quality, cost-effective, and local — (i) infrastructure; (ii) public services; (iii) performance of regulatory functions; and (c) to support local economic growth and development by fulfilling the purpose set out in paragraph (b). The Wānaka RTS project supports these outcomes by planning for infrastructure that maintains essential waste services, responds to growth, improves environmental management and supports public and operational safety.

56. The proposed Delegation of Authority:

- Is consistent with Council's adopted plans, strategies and policies;
- Supports the continued provision of essential waste management services to the Wānaka and Upper Clutha communities; and
- Would not, through this report, significantly alter intended levels of service for any significant activity undertaken by or on behalf of Council, or transfer ownership or control of a strategic asset.

Attachments | Kā Tāpirihaka

A	Attachment A – Procurement Plan Wānaka Refuse Transfer Station