

## Monthly Project Report: Lake Dunstan Water Supply

Progress

The current programme is:

| Project Stage  | Expected Completion Date   |
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| Council resolution agreed to a two stage direct appointment contract to Fulton Hogan. The stages are referred to as Separable Portions (SP) and are called SP1 and SP2. SP1 is the Early Contractor Involvement (ECI) phase and includes detailing the project estimate, based on an optimised design through this process. Separable portion 2 is the construction phase and this will only be commenced upon CODC acceptance of updated estimate and programme from SP1. | 24 March 2021  |
| Agree contract terms   | May 2021   |
| Detailed Design, updating estimate and creating delivery programme. Timing based on feedback from Fulton Hogan on 12 May 2021.   | June – October 2021  |
| Review design estimate against Council budget. Completion of Separable Portion 1.  | October 2021   |
| Commence Separable Portion 2, including Construction of Water Treatment Plant, balance tank and bore field   | November 2021 – June 2022 (Subject to revision on completion of Separable Portion 1) |
| Commission new Lake Dunstan Water Supply Scheme  | Mid 2022 (Subject to revision on completion of Separable Portion 1)                  |

### Current Work

As per Council request a probity review of the procurement methodology was carried out. Morrison Low & Associates Ltd carried out the review and provided a letter in support of Council's approach on the 30th of March 2021.

Council staff along with teams from Fulton Hogan, Stantec (designers), Switchbuild (telemetry), Pall Marshalls Water Consortium (membrane plant equipment) have started working together to optimise and finalise the design. Once complete Fulton Hogan will estimate the construction costs.

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|                                     | <p>Council and Fulton Hogan are finalising the contract terms. Essentially it will be a two-stage process, as outlined above, with the first stage being Separable portion 1 and involves Fulton Hogan supplying an updated estimate, based on the final design which will then be reviewed against the budget. A detailed programme will also be delivered as part of Separable portion 1. The second stage, Separable portion 2 will commence upon acceptance of Separable portion 1 estimate and programme and includes the construction and commissioning.</p> |
| Spend to forecast:                  | <p>The capital cost budget for construction of the Lake Dunstan Water Supply Project from the budget approved by Council on 24 March 2021 is \$9.2M. This will need to be reviewed once the detailed design estimate has been concluded. The contract will not move into construction phase until this review is complete.</p>   |
| Value of Professional Services Work | <p>The overall life to date scheme investigation and design cost to March 2021 is \$1.3M. As at March 2021 CODC have \$120K of committed cost to Stantec for design of the water treatment plant and borefield up to handover point to the contractor. There will be more costs to optimise and finalise the design with further input from Fulton Hogan, Stantec (designers), Switchbuild (telemetry), Pall Marshalls Water Consortium (membrane plant equipment). The estimate for this portion of the design will be known in June 2021.</p>                    |
| Value of Physical Work              | <p>No physical works are expected until November 2021. However, there will be greater clarity on this once Fulton Hogan start looking in detail at the programme. The budget approved by Council on 24 March 2021 is \$9.2M.</p>   |
| Value of Property Work              | <p>At this stage the only anticipated easements or land crossing, other than on CODC land will be the backwash and overflow pipes from the water treatment plant to the Clutha. The design has not been initiated on that yet and therefore the route is not resolved. Once resolved an estimate can be put in place.</p>  |
| Value of Consent Work & Approvals   | <p>The costs associated with the resource consent application to convert the new bore into a water source are not confirmed. Comparable projects estimate for this work is approximately \$25K.</p>  |
| Summary of Change Register          | <p>We will establish a variation order register once the contract document is agreed.</p>  |
| Health and Safety                   | <p>There were no Health and Safety incidents during the term of this report.</p>   |
| Property                            | <p>Contact Energy agreed with plans to provide easements and to fence the bore sites as per the recommendations in the New Zealand Drinking Water Standards Guidelines.<br/>No further action is can be undertaken on easements until the detailed design approaches completion.</p>   |
| Consents                            | <p>The resource consent for making the test bore a permanent water source is waiting for further processing by Otago Regional Council. This is being progressed by independent consultant Simon Beale.</p>   |
| Other Issues                        | <p>The project interfaces with the Clyde Wastewater project. Staff are investigating the opportunities for synergies between the two projects.</p>   |

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| Risks                                | <p>The risk rating for the Lake Dunstan Water Supply Project is rated amber as the detailed project risk review has not been completed.</p> <p>However, the top 3 risks from the most recent (April) monthly report produced by Stantec are as follows:</p> <ol style="list-style-type: none"> <li>1. Timeline for completion - What's practically achievable based on current programme versus community/council expectations.</li> <li>2. Management of backwash, Clean in Place bywash, overflow, bypass/drains and commissioning pipe provision.</li> <li>3. No water take consent for the 20 mega litres per day(mega litre = 1M litres) design flow for 2048 in place with construction of the Water Treatment Plant a number of months away from starting.</li> </ol> |
| <b>Project Status Summary Field:</b> |  |
| Progress                             | Green. However, the sooner confirmation of final design and estimate the sooner a more detailed programme will be able to be put in place along with opportunities identified for programme advancement.   |
| Review Cost                          | Amber. A review of cost versus budget will be carried out once the detailed design has been estimated by Fulton Hogan  |
| Review Risk                          | Amber. A review of risk will be undertaken with the wider design team in June 2021.  |
| <b>Project Phase Field:</b>          |  |
| Current Phase                        | Stage 4 - Implementation   |
| <b>Next Gateway Review Required:</b> |  |
|                                      | Gate 4 – “Go Live”   |