



AGENDA

Late Reports Ordinary Council Meeting Wednesday, 26 June 2024

Date: Wednesday, 26 June 2024

Time: 10.30 am

**Location: Ngā Hau e Whā, William Fraser Building,
1 Dunorling Street, Alexandra**

(A link to the live stream will be available on the Central Otago District Council's website.)

**Peter Kelly
Chief Executive Officer**

Order Of Business

13 Reports4

 24.8.22 Capex Report for Clyde Street and Water Upgrade.....4

 24.8.23 Capex Report on Cromwell Memorial Hall6

13 REPORTS

24.8.22 CAPEX REPORT FOR CLYDE STREET AND WATER UPGRADE

Doc ID: 1845973

Report Author:	Quinton Penniall, Infrastructure Manager
Reviewed and authorised by:	Louise van der Voort, Group Manager - Planning and Infrastructure

1. Purpose

To report updates in relation to Clyde street and water upgrades.

Recommendations

That the report be received.

2. Discussion

The capex report for the Cromwell Memorial Hall project has been provided for information to Audit and Risk.

Ongoing updates will be communicated to Council at every second meeting.

3. Attachments

Appendix 1 - Capex Report on Clyde Street and Water Upgrade [↓](#)

CENTRAL OTAGO
DISTRICT COUNCIL

Estimated Start:				Estimated Completion:				Funding Source:				Project Stage:																																																																																																																																																																				
Project/Executive Sponsor: Louise van der Voort				Project Owner: Quinton Penniall				Programme Manager:				Project Manager: Dan Kirkman																																																																																																																																																																				
Key Stakeholders: CODC Roothing, CODC 3-Waters, CODC Communications, Clyde Heritage Precinct businesses.																																																																																																																																																																																
Key Project Deliverables																																																																																																																																																																																
Streetscape upgrades for Sunderland, Holloway, and Lodge Lane (and associated intersection safety improvements). Water; Within streetscape upgrade areas, replacement of old failing pipes, and installation of additional pipes for redundancy.																																																																																																																																																																																
Status Update								Next Steps																																																																																																																																																																								
Naylor Street – Sunderland Street intersection build outs now completed. Major works, street scape and water main renewal commencing 4 June 2024. Full street closure to extend through Winter 2024. Final work to complete by end of Spring 2024.								Footpath build outs on Sunderland Street, both sides. Water upgrades Sunderland Street. Streetlights, bollards replacements. Furniture installations. Sunderland reseal a separate work package in spring 2025.																																																																																																																																																																								
Project Health																																																																																																																																																																																
Flag		Previous Status		Current Status		Status Description																																																																																																																																																																										
Overall Status		A		G		Water timeline estimated at 3 months, June-July-August 2024. Water upgrades can be delivered in conjunction with roading portion.																																																																																																																																																																										
Finances		G		A		Project budgeted to be over initial project allocation prior to starting, scope trimmed to suit. Tracking on target, very tight.																																																																																																																																																																										
Risks		A		A		Design risk, reduction in scope, service risk. Archaeological authority in place, compliance with this.																																																																																																																																																																										
Issues		A		A		Design issues, over-specified/designed. Community split on aesthetics.																																																																																																																																																																										
Resources		G		G		Adequate resources, small sites to minimise disruption to businesses.																																																																																																																																																																										
Health and Safety		G		G		Good audit scores, no Lost Time Injuries (LTI's) or injuries, environmental controls in place for mud-tank works.																																																																																																																																																																										
Scope		R		A		Revising our design plans to address discrepancies, conflicts, and inconsistencies, streamlining the project scope.																																																																																																																																																																										
Communications		G		G		Bi-weekly updates on-going. Walk arounds to businesses ongoing.																																																																																																																																																																										
Budget								Project Risk Analysis – Key Rated Risks																																																																																																																																																																								
<div><div>Actual Cost to Apr 2024</div><div>2021/24 LTP Budget</div><div><div>Stage 1</div><div>Stage 2 & 3</div></div><div><div>\$0</div><div>\$1,000,000</div><div>\$2,000,000</div><div>\$3,000,000</div></div></div>								<table><tr><td>Flag</td><td>Risk Name</td><td>Status Comments</td></tr><tr><td>A</td><td>Archaeological Authority compliance</td><td>In place for Sunderland Works, discoveries must be mapped, and site visited by Origin. Three minor discoveries to date on Matau/Sunderland intersection.</td></tr><tr><td>R</td><td>Re-design from original plans/scope</td><td>On-going, design levels do not fit existing tie ins and redesign has been undertaken correcting levels.</td></tr><tr><td>R</td><td>Designs significantly over-spec'd</td><td>Constructing as per plans as much as possible against cost pressures</td></tr><tr><td>A</td><td>Pre-purchased materials not suitable for redesign.</td><td>As a result of the redesign, some of the bulk-purchased materials may not be suitable for the updated site requirements.</td></tr><tr><td>A</td><td>Stakeholder dissatisfaction.</td><td>Potential stakeholder dissatisfaction due to conflicting aesthetic preferences or concerns over parking removal. Continued communication and proactive engagement with stakeholders will help foster consensus towards achieving project goals.</td></tr></table>								Flag	Risk Name	Status Comments	A	Archaeological Authority compliance	In place for Sunderland Works, discoveries must be mapped, and site visited by Origin. Three minor discoveries to date on Matau/Sunderland intersection.	R	Re-design from original plans/scope	On-going, design levels do not fit existing tie ins and redesign has been undertaken correcting levels.	R	Designs significantly over-spec'd	Constructing as per plans as much as possible against cost pressures	A	Pre-purchased materials not suitable for redesign.	As a result of the redesign, some of the bulk-purchased materials may not be suitable for the updated site requirements.	A	Stakeholder dissatisfaction.	Potential stakeholder dissatisfaction due to conflicting aesthetic preferences or concerns over parking removal. Continued communication and proactive engagement with stakeholders will help foster consensus towards achieving project goals.																																																																																																																																															
Flag	Risk Name	Status Comments																																																																																																																																																																														
A	Archaeological Authority compliance	In place for Sunderland Works, discoveries must be mapped, and site visited by Origin. Three minor discoveries to date on Matau/Sunderland intersection.																																																																																																																																																																														
R	Re-design from original plans/scope	On-going, design levels do not fit existing tie ins and redesign has been undertaken correcting levels.																																																																																																																																																																														
R	Designs significantly over-spec'd	Constructing as per plans as much as possible against cost pressures																																																																																																																																																																														
A	Pre-purchased materials not suitable for redesign.	As a result of the redesign, some of the bulk-purchased materials may not be suitable for the updated site requirements.																																																																																																																																																																														
A	Stakeholder dissatisfaction.	Potential stakeholder dissatisfaction due to conflicting aesthetic preferences or concerns over parking removal. Continued communication and proactive engagement with stakeholders will help foster consensus towards achieving project goals.																																																																																																																																																																														
Milestone Report																																																																																																																																																																																
<div><div><div>Forecast</div><div>Actual</div><div>Stacked</div></div><table><tr><td>Phase Completion</td><td>March</td><td>April</td><td>May</td><td>June</td><td>July</td><td>August</td><td>September</td><td>October</td><td>November</td><td>December</td><td>January</td><td>February</td><td>March</td><td>April</td><td>May</td><td>June</td><td>July</td><td>August</td><td>September</td><td>October</td><td>November</td><td>December</td></tr><tr><td>Initiation</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Investigation</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Design</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Procurement</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Execution</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Completion</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table><div><div>2023</div><div>2024</div></div></div>																Phase Completion	March	April	May	June	July	August	September	October	November	December	January	February	March	April	May	June	July	August	September	October	November	December	Initiation																							Investigation																							Design																							Procurement																							Execution																							Completion																						
Phase Completion	March	April	May	June	July	August	September	October	November	December	January	February	March	April	May	June	July	August	September	October	November	December																																																																																																																																																										
Initiation																																																																																																																																																																																
Investigation																																																																																																																																																																																
Design																																																																																																																																																																																
Procurement																																																																																																																																																																																
Execution																																																																																																																																																																																
Completion																																																																																																																																																																																

24.8.23 CAPEX REPORT ON CROMWELL MEMORIAL HALL**Doc ID: 1845974**

Report Author:	Garreth Robinson, Property and Facilities Manager
Reviewed and authorised by:	Louise van der Voort, Group Manager - Planning and Infrastructure

1. Purpose

To provide capex updates on the Cromwell Memorial Hall Project.

Recommendations

That the report be received.

2. Discussion

The capex report for the Cromwell Memorial Hall project has been provided for information to Audit and Risk.

Ongoing updates will be communicated to Council at every second meeting.

3. Attachments

Appendix 1 - Cromwell Memorial Hall Capex Report 042024.pdf [↓](#)

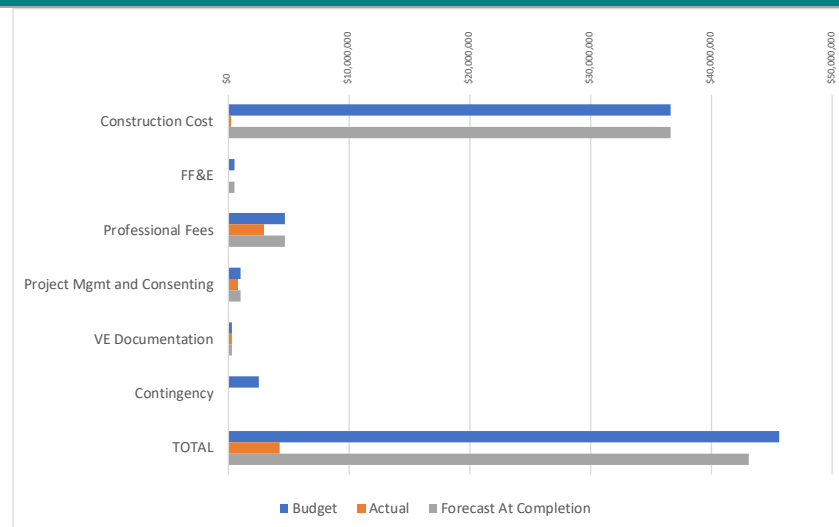
Cromwell Memorial Hall Project

Estimated Start: Apr 2024 (Construction)		Estimated Finish: March/May 2026		Funding Source(s): Reserves, Lending, Trusts, Land Sales		Project Stage: Construction	
Executive Sponsor: Louise van der Voort		Project Owner: Garreth Robinson		Programme Manager: Garreth Robinson		Project Manager: Phil Quinn	
Key Stakeholders: Council, CCB, Community, RSA, Museum, Community Groups (Fine Thyme, Theatre Groups), Community Vision / Operator (TBC), Town and Country							
Key Project Deliverables							
Construct as per the adopted Developed Design Scope (653736) providing catalyst project to the Cromwell Masterplan (2019).							
Status Update – Report 1 (April 2024)				Next Steps			
<div>1. Contract award complete (to Naylor) and Letter of Award signed 2nd April 2024</div> <div>2. Farewell Ceremony held on 29th April 2024</div> <div>3. Site Establishment 8th April 24, with introductions to Town & Country same week; provision for ANZAC day and Farewell Ceremony made</div> <div>4. Project Team kick off held 3rd April</div> <div>5. Issue for Construction (IFC) and Building Consent amendment/variation progressing well for 9th May and 23rd May 2023 respectively underway</div> <div>6. Further asbestos discovered on site compromising demolition methodology; refer to Special Addendum at end of report for more detail</div> <div>7. Contract: final stages of completion with anticipate signing mid-May. All required PO's as per 28-Feb CNL report approved; cashflow from NL being sought</div>				<div>1. Design:<div><div>a. IFC and BC pack issue on 9th May</div><div>b. BC amendment anticipated to be before 23rd May</div><div>c. Commencement of Museum Curation Concept design workstream underway</div></div></div> <div>2. Demolition:<div><div>a. Internal removal anticipated to be complete by mid-May; week 1 will confirm timeline</div><div>b. External demolition towards end of May</div><div>c. Salvaging of Roof (to Old Cromwell), FFE complete; WIP with floor</div><div>d. Tree Felling</div><div>e. Lifting of RSA artefacts</div><div>f. Preparation of new carpark</div></div></div> <div>3. Contract – sign contract mid-May</div> <div>4. Funding – applications as per plan WIP</div>			
Project Health							
Flag		Previous Status	Current Status	Status Description			
Overall Status		<div>G</div>	<div>G</div>	Construction phase of the project has commenced after a robust procurement and governance financial prudence process, providing resolutions on 28-Feb to proceed into construction by awarding the contract to Naylor Lover			
Finances		<div>A</div>	<div>A</div>	Project intends to seek external donations and mobilise the 52ha Industrial Land project to minimise debt			
Risks		<div>A</div>	<div>A</div>	Further asbestos removal required onsite; time impact has been mitigated however additional cost impact is being ascertained			
Issues		<div>G</div>	<div>G</div>				
Resources		<div>G</div>	<div>G</div>				

Cromwell Memorial Hall Project

Key Milestones	G	G	Draft key milestones stated; dates to be refined post demolition. Milestones include potential Elected Members visits, subject to Health and Safety practices
Health and Safety	A	G	SSSP reviewed and accepted; Site induction process implemented; WorkSafe informed on selected tasks
Scope	G	G	
Communications	G	G	Let's Talk Page being refreshed with the commencement of construction and approved detailed design

Budget



Project Risk Analysis – Key Rated Risks

Flag	Risk Name	Status Comments
G	Health & Safety on building site, with working at heights, heavy equipment etc poses on going risk	With Site Establishment Naylor's SSSP in effect If no need to be onsite stay away Inductions in place WorkSafe notified on req'd actions
A	Exceeding allocated total project cost of \$45.8M	Construction contract has high percentage fixed price Variation Process through Eng Rep will limited contingency Remaining Provisional Items have mitigation plan underway
A	Building Consent amendments required for procuring of materials; timeline and cost impact	Value Engineering changes are required for IFC and BC amendment changes; timeline of 9 th May & 23 rd May (respectively) are being worked on Split packages, sketches and memo being used to mitigate risk
A	Further evidence of asbestos has been discovered on site	Further lab testing underway; if asbestos is found demolition plan and time will need to be reassessed – could be cost impact
A	Business Risk – Establishment of Op's	Benefits & Operation Model require the establishment of entity to operate and market the facility. (Risk placed for visibility)

Cromwell Memorial Hall Project

Funding Actions

Funding Source	Amount	Status	Comment
Reserves	\$18M	Provisioned	21/2031 LTP
Land Sales	\$6.7M	Resolution	CCB 8 th May 2023 Report (resolution F)
Central Lakes Trust (CLT)	\$1.76M	Awarded	\$1.5M plus additional adjusted for inflation
Subtotal – Funded amount	\$26.M		Shortfall of \$19,000,000
Otago Community Trust (OCT)		Application in draft	Application to be lodged April/May 2024
Lottery Community Facilities	\$500k	Application in draft	Lodgement date anticipated to be July 2024
Lottery Environment and Heritage	\$500k	Application in draft	Lodgement date anticipated to be January 2025
Regional Culture and Heritage Fund (RCHF)	\$3 - 5M	WIP	Working with Museum on application approach
Total Funding	\$32.38M		Shortfall of \$13.42M supported by Lending
Lending	\$15.6M	Provisioned	21/2031 LTP

Milestone Report

No.	Milestone	Baseline Month	Revised Date	Status
1	Contract Award	Feb-2024		Achieved
2	Letter of Intent Approved	April-2024		Achieved
3	Contract Signed	May 2024		Open
4	Farewell Ceremony & Site Blessing	April-2024		Achieved
5	Site Handover and Establishment	April-2024		Open
6	Demolition Complete	June-2024		Open
7	Foundations / Floor Slab poured (community spaces)	November-2024		Open
8	Precast Panels (partial) / Roof On	February-2025		Open
9	Precast Panels Complete	March-2025		Open
10	Structural Steel / Remainder of Floor Pour	May-2025		Open
11	Roof Complete	July-2025		Open
12	Envelope complete (cladding/brick etc)	August-2025		Open

Cromwell Memorial Hall Project

13	Internal Fitout Completion	January-2026		Open	
14	Landscaping Complete (RSA artefacts)	February-2026		Open	
15	Commissioning of Mech and Tech	March-2026		Open	
16	Practical Completion (project complete)	May-2026		Open	

Cromwell Memorial Hall Project

Special Addendum | Pertinent Details

As noted in the summary further asbestos has been discovered within the building compromising the previous understanding (as per Clearance Report dated 30th August 2022) and demolition methodology. The below points outline a broad timeline and steps to manage the risk and adjustment to programme:

1. 8th April 2024 Site Established; due diligence and further Asbestos investigation undertaken as part of Health Safety practices
2. 9th April 2024 receipt of verbal notification to the high likelihood asbestos present on site; further survey and lab assessment underway
3. Naylor Love (NL) erected site fencing and lockout to prevent access to site; verbal instruction to all parties who able to have access (i.e. Property Team, Fire Department) the site was not to be accessed without prior approval which would then include chaperone visits.
4. 15th April 2024 received written confirmation the external environment surrounding the building was safe to undertake the 2024 ANZAC and Farewell Ceremonies.
5. 16th April 2024 provide verbal notification to CODC Health and Safety officer the presence of Asbestos and steps being taken (Site Incident to be lodged in Bware)
6. 26th April 2024 Asbestos Demolition Report received; updated Demolition Methodology to be received by 3rd May 2024
7. Informed CEO, with likelihood cost variation will be forthcoming, we intend to issue a Contractor Instruction (CI) based on Asbestos Removal Methodology (Health and Safety Action) and cost restriction parameters (i.e. Open Book) noting cost estimation and time impacts are difficult to ascertain until work commences.
8. Broad Milestones:
 - a. Asbestos removal to be completed by end of May (estimate between 3 and 5 weeks)
 - b. Cost and time Impact to be determined by mid May
9. On Going Risk Management

Noting the agency that undertook the previous survey and clearance report undertakes work on other CODC's properties we will, via the Property Team be seeking:

 - a. Potential financial reimbursement of costs and health/Safety risk incurred
 - b. Level of assurance other issues won't be discovered at other properties