

PROJECT NAME	#theBigWaterStory Key Project Status Report		
Release Date	01/02/2019	Report #	4
Key Benefits	<p>The benefits of the Big Water Story were communicated to the residents of CHB through workshops and through the LTP process. The key benefits were to:</p> <ul style="list-style-type: none"> • Upgrade infrastructure so that it will last longer and we can maintain the service you have always relied on • Meet changing legislative and compliance requirements relevant to 3 waters assets • Build resilience in our waters infrastructure by having second supplies, firefighting capacity and right sized reticulation systems • Take on the learnings from the Havelock North water inquiry • Ensure we are providing for smart growth in the District including the rapidly growing number of new homes being built in our residential areas and forecast over the next 10 years • Supply those who are connected to Drinking Water with a safe, clean and reliable drinking water source in particular those smaller communities • Deal with wastewater and stormwater to ensure minimal impact on our rivers • Ensure we do not burden future generations with aging infrastructure 		
Project Delivery Objectives	<p>Deliver the capital projects in the allocated year/s that together form the Big Water Story to budget and quality whilst ensuring maximum community benefit from these projects.</p>		

Report No.	Report Date	Report Frequency	Project Sponsor	Project Manager
1	28/07/2018	Bi-Monthly	Josh Lloyd	Josh Lloyd - Interim
2	27/08/2018	Bi-Monthly	Josh Lloyd	Darren de Klerk
3	16/11/2018	Bi-Monthly	Josh Lloyd	Darren de Klerk
4	01/02/2019	Bi-Monthly	Josh Lloyd	Darren de Klerk

Sponsor's Project Delivery Confidence Assessment



Appears
Highly Likely



Appears
Probable



Appears
Feasible



Appears
In Doubt



Appears
Unachievable

INTRODUCTION

This report will provide regular information on the fixed objectives and dynamic progress and risks of the Big Water Story.

The report provides an introduction as well as background and contextual information on the Big Water Story and then becomes more detailed discussing programme and project progress and risk.

BACKGROUND

As part of Project Thrive, the importance of water to our community was one of the loudest messages. This, combined with a vision for growth and prosperity, environmental responsibilities, as well as strong and durable infrastructure is how #thebigwaterstory began.

Central Hawke's Bay is experiencing significant growth with as many as 1,025 new households expected in the next 30 years. Of those households, 535 are expected in the next 10 years. To support this, significant growth improvements are required to the existing water networks. It is expected that this will take at least 10 years to do, and will create opportunities for district growth and to attract new industry and employment to the region.

To deliver the improvements required, Council has developed a programme of upgrades and improvements to ensure that the drinking water, wastewater and stormwater infrastructure is able to meet the current and future needs of the community.

Following project THRIVE, creation of The Big Water Story brand, and adoption of the LTP in 2018, attention and focus have shifted from discussion and consultation to planning and delivery. Projects must be sequenced and prioritised based on several factors. This holistic approach to managing several interrelated projects to achieve a single promised outcome is referred to as Programme Management.

OBJECTIVE

Following the conception of #thebigwaterstory, Council set about implementing the programme, a programme manager was appointed and focus given to defining the projects that form the programme in greater detail.

An early objective was to better understand the original budget and for council and elected members to gain confidence in the budgets set.

A task was undertaken to review the listed projects in the programme and to ensure that the original budget set was sufficient to deliver the projects. This was delivered to Elected members and council in October 2018. This gave confidence that over 70% of the original listed projects were within budget. The three projects highlighted as at risk to be delivered for budget set, were the wastewater treatment upgrades.

The team found that the uncertainty around these are unable to be substantiated until the projects progress and a better understanding of the scope is realised.

1. Overall Confidence Assessment

Programme Manager's Status Summary			
Key Questions Impacting on Project Objectives	No	Yes	Explanation & Proposed Resolution to Problem
1 Are there Business Case Benefit attainment problems?	✓	<input type="checkbox"/>	The business case is self-supporting and based on relatively simple science. The assets are proven to require replacement, upgrade or augmentation. By delivering the specified projects, the asset constraints will be mitigated and business case benefits realised.
2 Are there Scope Control problems?	✓	<input type="checkbox"/>	The scope of the Big Water Story is defined with listed projects. The scope will be better defined as each project progresses through design phases.
3 Will Target Dates be missed?	<input type="checkbox"/>	✓	There is greater confidence most projects will be delivered within timeframes, Waipukurau second supply is unlikely to be completed within the original two-year timeframe. This has been re-forecast to 30 June 2021.
4 Will Project Costs be overrun?	<input type="checkbox"/>	✓	Confidence has been given on majority of the listed projects, some risk still lie within the wastewater projects, these will be managed case by case as the scope is better understood.
5 Are there Quality problems?	✓	<input type="checkbox"/>	The risk of poor quality outcomes (e.g. poorly constructed projects) is considered low. The quality of physical works is considered a non-negotiable and is managed through routine project management processes.
6 Are there Resource problems?	<input type="checkbox"/>	✓	Internal project and programme management resource is considered a risk to the delivery of the Big Water Story. External resources are also considered a key risk with a very competitive contracting market. This places greater strain on internal project management resource with a need for greater planning and flexibility built into projects to secure and accommodate contractors.
7 Are there Risk Management problems?	✓	<input type="checkbox"/>	No significant risk management problems perceived at present, risks will be identified below and managed as per project management practices. Safety in design workshops held for each project.
8 Are there Review and Approval problems?	✓	<input type="checkbox"/>	Governance and internal management structures for the review and approval of project and programme outcomes are sufficient to meet the requirements of the Big Water Story. Robust gateways in place, in particular for procurements.
9 Are there Teamwork problems?	✓	<input type="checkbox"/>	The team are engaged and enthusiastic about the Big Water Story. New staff and changes in some roles is providing improved team dynamics.
10 Are there Stakeholder problems?	✓	<input type="checkbox"/>	Key affected stakeholders will be communicated with and managed as per defined stakeholder

				management and communication plans for each project.
11	Are there <u>lwi</u> issues?	✓	<input type="checkbox"/>	Impact on lwi considered to be minimal with little impact on land or changes in use of infrastructure planned as part of Big Water Story. Following stakeholder engagement plans will ensure they are identified and engaged with in advance.
12	Are there <u>Communication</u> problems?	✓	<input type="checkbox"/>	Communication Strategy for Big Water Story developed, website content being updated and templates being developed for regular distribution on all projects in line with project specific communication and stakeholder plans.
13	Are there <u>Change Management</u> problems?	✓	<input type="checkbox"/>	Not at present, some change may be imminent in project scope - these will be managed through our design review, and approval process.
14	Are there <u>Health & Safety</u> issues?	✓	<input type="checkbox"/>	H&S management is another non-negotiable for the delivery of all Big Water Story projects. It is mandatory that robust H&S management plans and procedures are provided for each Big Water Story Project. Will develop further as construction progresses

Project Manager's Progress Summary

Achievements/Activities since last status report

This is the fourth report on the programme, and the second report where some achievements can be recognised;

Project	Achievement	When
Waipukurau Second Water Supply	Commenced drilling test bore – all but dry	January 2019
Takapau Wastewater Resource Consent Extension	Consent granted through to October 2021	December 2018
Waipawa Trunk Sewer Main Renewal	Concept design report in hand and tender being prepared	January 2019
Otane Alternate Water Supply	Small section complete, concept design being finalised	February 2019
Waipukurau Stormwater Improvement Project	Concept design and options presented and being evaluated	February 2019
Otane Wastewater	Resource consent extension submitted to HBRC, only awaiting DHB submitter to confirm all okay with extension before HBRC can complete processing.	February 2019
WPK, WPA and Otane Wastewater Project	Survey released and useful information retrieved as part of creating community understanding of project	January 2019

Waipukurau Water SH2 Borefield Upgrade	Design finalised, procurement plan to ELT for 12 Feb 2019, tender planned to be released 18 th Feb 2019, construction to start early April 2019.	January 2019
Waipukurau Firefighting and Shortfalls project	Draft forward works programme being reviewed by team and procurement plan being finalised.	February 2019
BWS Programme	Communications Strategy completed	November 2018
BWS Programme	Budget confidence and presentation given to Council	October 2018

Issues/ Risks that have arisen since the last status report

This section will be expanded/ updated in subsequent quarterly Key Project Status Reports.

Project	Risk	Proposed Control
Waipukurau Second Water Supply	Dry Bore and Water source	Review of aquifer, pump testing on surrounding bores, larger test bore
Waipukurau Second Water Supply	Meeting timeframes - Due to the amount of planning and cogs in the process, each activity takes time	Robust project plan and visibility on timeframes, thinking ahead and undertaking tasks simultaneously with another that adds value.
WPK, WPA and Otane Wastewater Project	Sufficient community and Tangata whenua representation	Identified additional representatives, commission maori world view and CIA when options available
Wastewater Projects	Risk highlighted with budget for Takapau, Porangahau and Te-Paerahi	To be managed case by case, and largely driven by outcome of scope. Robust community session to understand drivers
Waipukurau Stormwater Helicoil Project	6 projects defined, budget only for 2, unknown extent of Helicoil in the network	Look to add to long term planning, and some studies to be undertaken to better understand issues
Waipawa Trunk Sewer Main Renewal	Working positively with all stakeholders (landowners) to gain access	Robust stakeholder plan and engagement process followed.
SH2 Borefield Upgrade	Logistics around existing site, condition of existing bores	Bore assessment, robust planning and equipment planning

Key Activities to be started/completed or in progress over the next 2-3 months

Project/ Item	Action/ Activity	Forecast Completion
Waipawa Trunk Sewer Main Renewal	Design and stakeholder engagement in prep for renewal	February 2019

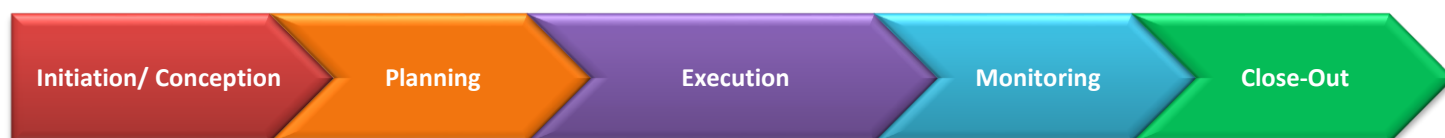
Waipukurau Stormwater Helicoil Project	Draft procurement documents for tender	December 2018
CHB Water Renewals Porritt Place, Waipukurau	Water renewal project to commence in Dec 2018	December 2018
Porangahau and Takapau Drinking Water Treatment Upgrades	Paper to be presented to council 13 th December 2018 to package and tender project.	December 2018
CHB Water Renewals	Project in Mackie, Mclean Street to be replace AC water main to be tendered for March 2019 start.	January 2019
Design Works for Otane Alternative Water Supply	Tenders received, evaluation to be completed by 23 rd Nov 2018	Nov 2018 2018
Programme Management Plan	Programme plan to be complete	September 2018
BWS Programme	Project Management Documentation created	On going

General Comments

The programme is moving from mainly planning, to largely procuring or preparing to procure, the next update should see a number of projects about to commence and then largely projects underway.

A large amount of planning has taken place to ensure that all requirements realistically feasible are included in the scope of the projects. Implementing key gateways or internal handover points within a project is important to ensure this is factored into the planning phases and takes operations and asset strategy on the journey.

By Project Status Update



Project Name	Project Description	Status
Otane wastewater	Otane wastewater treatment upgrade	Planning
Otane wastewater	Otane wastewater I&I Study	Execution
Otane wastewater	Otane wastewater Resource Consent Extension	Planning
Porangahau Water	Porangahau water treatment improvement	Tendering
Waipukurau Water	Porritt Place Water Renewal	Complete
Takapau wastewater	Takapau Resource Consent Extension	Complete

Takapau wastewater	Takapau Resource Consent Extension	Conception
Otane wastewater	Otane Land Development (Waste)	Complete
Porangahau/ Te-Paerahi WWTP	Porangahau/ Te-Paerahi WWTP	Conception
Otane Water	Otane Land Development (Water)	Complete
Waipukurau Stormwater	SW Helicoil Upgrades	Planning
Waipukurau Water	Waipukurau Water SH2 Bore Upgrade	Planning
Waipukurau Stormwater	Waipukurau CBD Stormwater improvements	Planning
Otane Water	Otane Alternative Water supply	Planning
Waipukurau Water	Waipukurau Second water supply	Planning / Build
Takapau Water	Takapau Water treatment improvement	Tendering
Waipawa wastewater	Waipawa trunk sewer main renewal	Planning
District wastewater	WPK WPA Wastewater Treatment Investigation	Planning
District Water Renewals	CHB District Water Renewals	Planning
District Water Renewals	Waipuk - Mackie, Mclean, Mt View	Tendering
District wastewater	CHB District Wastewater Renewals	Planning

Programme Progress/ Milestones



July 2018	August 2018	November 2018	February 2019	April 2019	June 2019
Programme Launch Employment of Programme Manager	Physical Launch Planning Budget confidence Defining projects	Support Design/ Engineering Planning Site Visits underway Drafting tender docs	3 tenders in the market Design/ engineering Planning procurement		

Some key planning milestones below for the first half of 2019;

#TheBigWaterStory	Milestones 2019						
Project	procurement plan approved	Release tender	Tender Close	supplier recommendation approved	Contract Award Date	Physical start date	Estimated Practical completion
SW Helicoil - Francis Drake/ Jellicoe to Tavistock	10/11/2018	14/01/2019	14/02/2019	26/02/2019	12/03/2019	8/04/2019	30/06/2019
SW Waipukurau Improvements	26/02/19*	15/03/2019	12/04/2019	23/04/2019	30/04/2019	21/05/2019	30/06/2019
WW 19 Waipukurau Waipawa Treatment Investigation			workshop report 05/06/2019	present report 20/06/2019			
WW 19 Waipawa Main Trunk Renewal	28/02/2019	15/03/2019*	12/04/2019*	9/05/2019	15/05/2019	6/06/2019	30/06/2020
WS 19 Otane Alternative Water Supply	11/04/2019	15/04/2019	15/05/2019	23/05/2019	5/06/2019	26/06/2019	30/06/2020
WS 17 Porangahau Water Treatment Plant Upgrade	13/12/2018	21/12/2018	14/02/2019	28/02/2019	12/03/2019	1/04/2019	30/09/2019
WS 19 Takapau Water Treatment Improvement	13/12/2018	21/12/2018	14/02/2019	28/02/2019	12/03/2019	1/04/2019	30/09/2019
WS 17 Waipukurau SH2 Pump Station Upgrade	12/02/2019*	18/02/2019*	18/03/2019*	26/03/2019*	8/04/2019	29/04/2019	30/06/2019
WS 18 Waipukurau Second Supply	TBC	TBC	TBC	TBC	TBC	TBC	30/06/2021
WS 19 Waipukurau Shortfalls Fire Fight Improve Modelling	28/02/2019	15/03/2019	12/04/2019	9/05/2019			multiple yr programme
WS 19 WPK Main upgrades Mackie, McLean, McCarthy Mt View St	29/01/2019	8/02/2019	7/03/2019	26/03/2019	5/04/2019	23/04/2019	30/06/2019

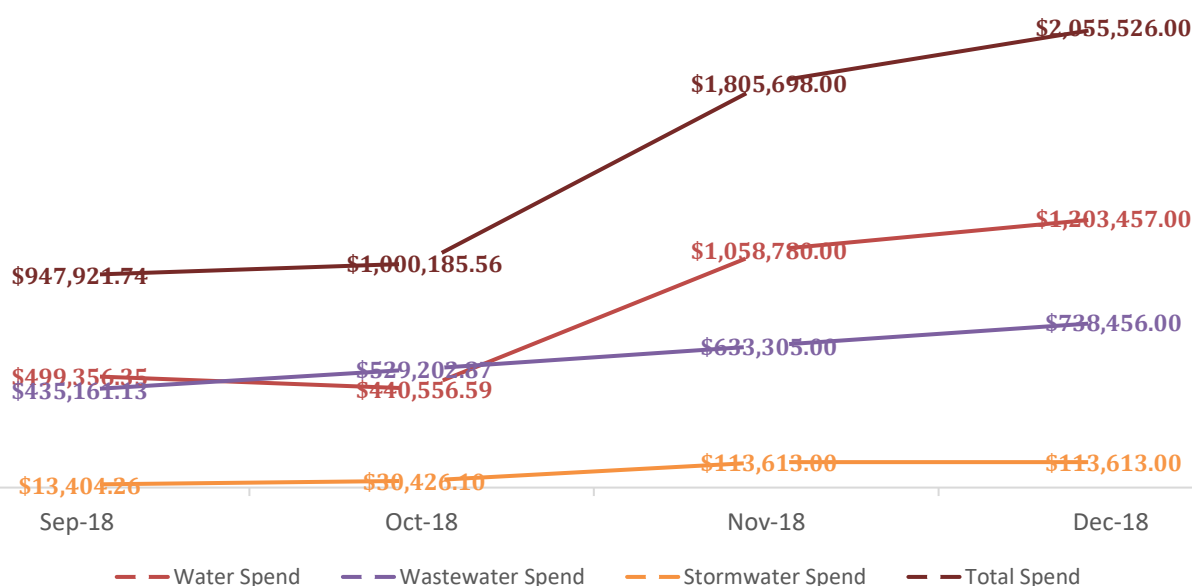
Programme Financial Update

Financial management of Big Water Story projects requires creation internally of a project specific ID for each project. This allows for management of costs and understanding of progress against budget – further detail available on request

Programme Statistics	Expenditure	
	Whole Life (\$) 10 year	Current Year (\$) 2018/19
Approved Project Budget (Baseline)	37,966,321.30	7,003,947.72
Actual Spent to Date (as at 1/02/2019)	1,146,279	1,146,279
% Spend against budget (as at 1/02/2019)	3%	16%
Estimate to Complete Reminder of Programme (ETC)	-	-
Forecast at Completion (EAC)	-	-

Key Project Statistics	Budget		Expenditure
	Whole Life (\$)	Current Year (\$) 2018/19	Actual @ 1 Feb 2019
Otane Alternative Water supply	\$2,616,720.00	\$939,000.00	\$103,387.00
Waipukurau Second water supply	\$5,716,012.50	\$2,046,000.00	\$85,271.00
WPK WPA Wastewater Treatment Investigation	\$2,121,267.23	\$300,000.00	\$113,909.00
Waipawa trunk sewer main renewal	\$1,769,790.00	\$511,500.00	\$71,809.00
Waipukurau Water SH2 Bore Upgrade	\$850,258.00	\$850,258.00	\$75,143.00
Total	\$13,074,047.73	\$4,646,758.00	\$449,519.00





3 Waters Capital Spend Summary @ 11 Jan 2019



Project Delivery Confidence Assessment Key

Overall confidence remains high, with attention required constant by the programme team to deliver on outcomes. There remains potential for issues/ risks to arise and some delays may be probable.

Some risks are noted, these will be addressed and monitored through the project lifecycle, and the programme is gaining momentum.

Key	Attention Required	Issues/Risks	Delivery
	Minimal	None	On Time
	Constant	Potential	Delays Probable
	Manage	Exist but resolvable	Delays Likely
	Urgent	Major	Delays
	Critical	Critical	Major delays. Re-scope/Re-assess