

‘Shovel ready’ Infrastructure Projects: Project Information Form

About this Project Information Form

The Government is seeking to identify ‘shovel ready’ infrastructure projects from the Public and certain Private Infrastructure sector participants that have been impacted by COVID 19.

Ministers have advised that they wish to understand the availability, benefits, geographical spread and scale of ‘shovel ready’ projects in New Zealand. These projects will be considered in the context of any potential Government response to support the construction industry, and to provide certainty on a pipeline of projects to be commenced or re-commenced, once the COVID 19 Response Level is suitable for construction to proceed.

The Infrastructure Industry Reference Group, chaired by Mark Binns, is leading this work at the request of Ministers, and is supported by Crown Infrastructure Partners Limited (CIP).

CIP is now seeking information using this Project Information Form from relevant industry participants for projects/programmes¹ that may be suitable for potential Government support. The types of projects we have been asked to consider is outlined in Mark Binns’ letter dated 25 March 2020.

CIP has prepared Project Information Guidelines which outline the approach CIP will take in reviewing and categorising the project information it receives (Guidelines).

Please submit one form for each project that you consider meets the criteria set out in the Guidelines. If you have previously provided this information in another format and/or as part of a previous process feel free to submit it in that format and provide cross-references in this form.

Please provide this information by 5 pm on Tuesday 14 April 2020.

As an initial task the Infrastructure Industry Reference Group has been asked to prepare a report on infrastructure projects/programmes that are ready for construction and could, if the Government deemed it appropriate, be deployed as part of a stimulatory package. It should be noted that the full impact of COVID 19 on the economy will not be known for some time, and the Government’s decision to accelerate any construction-related spend will be determined by its assessment of priorities at the time. This information is being sought in good faith, but no undertaking can be made that the criteria or any other considerations will not change or that any projects coming forward from the Reference Group will be accelerated, or any of the Reference Group’s recommendations adopted. This situation we all find ourselves in is truly dynamic.

This document relates to the gathering of project information only and is not a Notice of Procurement. It does not form part of any procurement process. It does not commit the Government or CIP to take any further steps, or provide any financial or other assistance, in connection with any information in response to this document or the projects to which that information relates.

¹ We refer to “projects” throughout. This this term includes programmes of work in all cases.

Section 1: Key Information [Criteria 2 and 3]

1. Project Title:

2. Please provide your details:

Organisation Name:	Kāpiti Coast District Council		
Entity Type:	Territorial Authority		
Contact Name and Role:	Disna Pathirage – Stormwater & Coastal Asset Manager		
Email Address:	<input type="text" value="Disna.Pathirage@kapiticoast.govt.nz"/>	Telephone:	<input type="text" value="0275555840"/> <input type="text" value="02240268909"/>

3. Please provide a very brief description of the infrastructure project:

The project involves replacement of 960 m of seawall on The Parade at Paekākāriki in Kāpiti Coast District. The current timber seawall was built in 1970s with a design life of 30 years and is now well beyond this original design life. It has failed many times during recent storm events requiring extensive emergency reinstatement works. The seawall protects several significant public/community assets:

- *The Parade- This is the primary access road servicing multiple properties (there are about 100 residential properties along the Parade) and the main access to both Campbell Park and the Paekākāriki beach.*
- *Campbell Park (regionally significant asset)*
- *Paekākāriki Memorial Hall (Community Asset)*
- *Critical lifeline utilities within the road corridor*

This project has been through an extensive community engagement and consultation process over the past six years with the Resource Consent approved by Greater Wellington Regional Council on 2 May 2016.

Detailed designs have been completed and the associated building consent approved on 18 November 2019.

Tender documents to select a physical works Contractor to build the seawall are currently being compiled and were (Pre-COVID 19) going to be ready to send to market by 1 June 2020.

4. This project will be located in which Territorial Authority:

5. Please confirm the project sector, category and type of infrastructure:

Project Sector	<input checked="" type="checkbox"/>
Accommodation	<input type="checkbox"/>
Agriculture, Horticulture and Forestry	<input type="checkbox"/>
Alcohol Availability	<input type="checkbox"/>
Bioscience and Biotechnology	<input type="checkbox"/>
Construction	<input checked="" type="checkbox"/>
Energy	<input type="checkbox"/>
Film and Television	<input type="checkbox"/>
Imports and Exports	<input type="checkbox"/>
Information communications and technology	<input type="checkbox"/>
Manufacturing and Production	<input type="checkbox"/>
Retail Trade	<input type="checkbox"/>
Tourism	<input type="checkbox"/>

Project Categories	<input checked="" type="checkbox"/>
Three waters	<input type="checkbox"/>
Transport	<input type="checkbox"/>
Buildings and Structures	<input checked="" type="checkbox"/>
Other infrastructure	<input type="checkbox"/>

Project Type	<input checked="" type="checkbox"/>
Critical infrastructure	<input checked="" type="checkbox"/>
New infrastructure	<input type="checkbox"/>
Replacement/refurbished infrastructure	<input checked="" type="checkbox"/>
Repurposed infrastructure	<input type="checkbox"/>

Wholesale Trade	<input type="checkbox"/>
Central Government	<input type="checkbox"/>
Local Government	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>

6. What is the total cost of the project (NZ\$M):

\$21M

7. Provide a high-level breakdown of this spend (e.g. construction costs, professional fees, land, other etc.):

*Construction cost including materials labour etc \$19.5M
Professional Services (Project Management, Contract Administration, Construction Monitoring, Public liaison, Communication, Consent Compliance) - \$1.5M*

8. Briefly outline the value the project will deliver in terms of employment contribution.

- *During the Construction period (estimated at 18 months) the project will provide direct employment to contractors, material suppliers, and professional service providers.*
- *There are a mix of local and National contractors who have resources located in Kāpiti who have the capability and experience to undertake this project without the need for drawing contractors from outside the District if needed.*
- *Staff employed on the project will provide support to the local accommodation providers and the local food industry during the construction program.*
- *This project requires a significant amount of rock, timber and concrete which will provide demand for the local and regional supply chain.*

9. Briefly describe how the project is currently/ intended to be funded:

Components completed to date (Investigations, concept/ preliminary/ detailed designs, resource consents, public consultation, building consents, etc) has been funded by Council district-wide rating. Pre-COVID 19, Construction component also was intended to be funded using district-wide rating. The Council Long Term Plan (2018) currently has \$17.9M of funding allocated to the construction of this project.

10. Has this project previously applied for funding with any part of Government? Yes: No:

- *If Yes, please describe which part of government (i.e. PGF, NZTA FAR etc.), the outcome of the discussions and who such discussions were with (what Ministry and official).*

Section 2: Construction Readiness [Criteria 1]

11. Please briefly explain the status of the project including confirmation that the project will fall into one of the three categories of readiness (see 12 below).

This project falls into Category B as:

- *Resource consent, detailed design & Building consent all completed and approved.*
- *Currently the principal (Kāpiti Coast District Council) is compiling tender documents for construction procurement and the plan was to put out a Request for Tender to the market by 1 June 2020 with an expectation of commencing construction within the next 6 months.*

12. Confirm which of the following categories the project best falls into.

Status	✓	Further commentary (briefly set out barriers to commencement)
A. Projects which currently are (or were) in the construction phase but have been put on hold due to COVID 19 and are likely not to progress, or to progress at a much slower rate or scale/scope, if not supported post COVID 19	<input type="checkbox"/>	
B. Projects which have a high expectation of commencing the construction phase within the next six months (by 31 October 2020), but are unlikely to do so due to COVID 19	<input checked="" type="checkbox"/>	<i>This project is to be funded by district-wide rates and It is highly likely that due to COVID 19, Kāpiti Coast District Council's income from rates will be substantially reduced as many rate payers will experience severe financial hardship. As a result, this project will be put "on hold" without central government funding assistance.</i>
C. Projects which could have been expected to commence the construction phase within the next 12 months (by 30 May 2021), but are unlikely to do so due to COVID 19	<input type="checkbox"/>	

13. Confirm the status of key milestones

Status		✓	Expected Date
Procurement	<i>Suitable tender complete</i>	<input type="checkbox"/>	
	<i>Tender evaluation in progress</i>	<input type="checkbox"/>	
	<i>Request for Tender in the Market</i>	<input type="checkbox"/>	
	<i>About to put out a Request for Tender to the market</i>	<input checked="" type="checkbox"/>	1 June 2020
Detailed Design	<i>Detailed Design Complete</i>	<input checked="" type="checkbox"/>	
	<i>Detailed Design Underway</i>	<input type="checkbox"/>	
	<i>Detailed Design to commence</i>	<input type="checkbox"/>	
Designations/Consents	<i>Approved</i>	<input checked="" type="checkbox"/>	
	<i>Lodged</i>	<input type="checkbox"/>	
	<i>In preparation</i>	<input type="checkbox"/>	
Land Acquired	<i>Yes</i>	<input type="checkbox"/>	
	<i>Being negotiated under PWA (please indicate stage below)</i>	<input type="checkbox"/>	
	<i>Has not commenced</i>	<input type="checkbox"/>	

Business Case or Investment Case	Approved	<input checked="" type="checkbox"/>	
	Draft	<input type="checkbox"/>	
	Underway	<input type="checkbox"/>	
	None	<input type="checkbox"/>	

Note: Land acquisition is not applicable to this project.

14. Briefly outline any other comments on the key project timetable or key milestones

<ul style="list-style-type: none"> - Key barriers / risks to the project being 'shovel ready' <i>There are no significant risks or barriers to the project other than the risk of increased cost and extended time frames as a result of new working protocols in construction sites to minimise COVID 19 spread, in the short term.</i> - Expected timeframes and processes for acquiring necessary resource consents <i>Not applicable as Resource Consents and Building Consents have4 already been granted for the project.</i> - Any other additional information as required above <i>None</i> - Expected construction completion date <i>Estimated construction period to replace the entire length of the wall is 18 months (tidal effects have been taken into consideration). If funding is available, with tenders put into the market in first week of June 2020, work on site can be commenced in early September 2020. Construction completion is expected in End February 2022.</i>
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Section 3: Overall Benefits and Risks [Criteria 4]

Please advise at a high level whether a project brings real value (in an economic, social and/or environmental sense) to New Zealand as a whole or the region in which it is located in line with Treasury's Living Standards Framework² and Sustainable Development Goals³. Please take into account, where relevant, the draft 2021 Government Policy Statement on land transport, available at <https://www.transport.govt.nz/multi-modal/keystrategiesandplans/gpsonlandtransportfunding/gps-2021/>, and the priorities that it establishes.

15. Briefly outline the social, environmental and economic benefits of the project to the local region and New Zealand and overall value for money.

² <https://treasury.govt.nz/information-and-services/nz-economy/higher-living-standards/our-living-standards-framework>

³ <https://www.mfat.govt.nz/en/peace-rights-and-security/work-with-the-un-and-other-partners/new-zealand-and-the-sustainable-development-goals-sdgs/>

There are many **Tangible** and **Intangible** benefits as listed below:

- Since the current wall has exceeded its design life and with current climate change predictions, the wall failure (fully or partially) continues to be a significant risk that will only increase with further delay. Since this wall is protecting The Parade, the road will collapse once the wall fails. Road failure will result in about 100 residential properties with no access. Also, with no seawall and road, the properties may fall into the sea. Therefore, timely implementation of this project is critical to the ongoing security of a significant local roading asset providing for both road users and the residents living in the area.
- This project is supporting New Zealand in the transition to a climate-resilient community by reducing the impacts of future coastal inundation due to sea-level rise and increased storm intensity events.
- The Parade seawall also provides protection to significant district wide facilities such as Campbell Park and Paekākāriki Memorial Hall and access to Paekākāriki beach. Therefore, timely implementation of this project will immensely benefit the users of these facilities and the beach.
- Project delivery will provide large scale economic opportunities for contractors, professional service providers and material suppliers (Minimum of 210 FTE as direct employment for 18 months- details below under Q16).

16. What is the expected contribution to local/ national employment?

Please see the table below for the expected contribution of direct employment during construction.

Component	Total Cost for 18 months	Cost per month	Annual Cost	No of FTEs
Construction including labour and materials	\$19.5M	\$1,083,333	\$12,999,999	195
Professional Services	\$1.5M	\$83,333	\$999,996	15
Total	\$21M	\$1,166,666	\$13,999,999	210

Total Employment opportunities during construction: **210 FTE** for 18 months

Other Employment opportunities during and after construction: These opportunities are in the areas of hospitality industry (food, accommodation) and in the tourism industry.

17. What are the risks associated with the project? Each risk should be ranked as high, medium or low and include a short explanation as to why it was given that risk rating.

Risk	Low/ Med/ High	Further commentary on risk
A. The risk of the project not commencing within the advised timescale	Extremely Low	Physical works tender document is under preparation. All the required information for the tender (detailed designs, drawings, contract specifications, resource consents, building consents) are ready. Once there is confirmation on availability of funds, if tenders are publicly advertised in the first week of June 2020 with 4 weeks tender period and allowing 8 weeks for tender evaluation, approval and other pre requirements (Insurances, bonds etc), work on site can be realistically commenced in early September 2020.

		<i>Materials needed for the project are available locally, and regionally. Nothing to be imported from overseas.</i>
B. The risk the project will not be completed on time, to cost or to specification	Low	<i>There is a low risk of the project not completing on time, to cost, in the short term, with new working protocols in the construction industry to minimise COVID 19 spread.</i>
C. Risk the project will not realise the benefits outlined above	Extremely Low	<i>All the benefits outlined above will be achieved during Construction and once the project is completed.</i>

18. Are there any other key project risks or any other information which would be useful background or context at this stage?

Construction in the tidal area on any coast line can be challenging and significant investigation and pre construction works have already been carried out to ensure a robust construction methodology and clear understanding of ground conditions and tidal patterns associated with the replacement works significantly reducing risks to time and costs.

Section 4: Impact of COVID-19

19. Please briefly comment on the likelihood and timing of the project recommencing once the COVID 19 Response Level is suitable for construction to proceed

Following are the proposed timelines:

- *Putting the Construction Tender to the market – first week of June 2020*
- *Tender Closing – End June 2020*
- *Tender Evaluation, Approval, Award and Commencing work on site – Early September 2020*

Key conditions to achieve above:

- *Certainty on Central Government funding*

20. What is the best estimate of the impact (financial/social/environmental) COVID 19 has had on the project and on local industry associated with the project?

This project will be adversely impacted by COVID -19 in several ways:

- *The local community have for the last 6 years worked with Council on the proposed seawall project and due to affordability reasons have seen the wall previously deferred through the Long Term Plan (LTP) Process (2018) There is significant concern within the community that further delays will result in potentially catastrophic failure of the wall. The social impacts to the community of continued uncertainty is significant.*
- *There is a very high possibility that the project may be deferred until Kāpiti Coast District Council re-gain the financial affordability to deliver the project. With rate payers seeking financial assistance to overcome the hardships experiencing as a result of COVID-19 it is highly likely that Kāpiti Coast District Council will decide to defer funding larger projects, and this project will be one of them.*

21. Has this project already, or is likely to benefit from already announced Government led financial support for businesses (e.g. wage subsidy scheme/business finance guarantee scheme) Yes: No:

- If Yes, please describe the scheme and extent of the support you have received/expect to receive.

22. Briefly outline the top 2-3 things that the Government can do to help progress this project. Please consider both financial and non- financial levers such as lowering regulatory barriers, adjusting Government procurement practices, fast-tracking resource consent processes.

This project is in the physical works phase. It has already gone through the regulatory barriers and the consenting barriers successfully. Tender documents are getting ready to follow normal open public tender process. Therefore, the only thing that Central Government can do to remove the risk of this project being significantly delayed is to fast track this project by providing financial assistance requested to deliver the project.

The current Council LTP (2018) has funding allocated of \$17.9M to complete the project.

The updated construction estimated cost include provision for any COVID 19 cost escalations is \$21M.

The Council requires grant funding to meet the budget shortfall of \$3.1M to fast track project to commence within the next 6 months.

The Council requires a loan of \$17.9M to cover the remaining costs and allow the project to proceed over the next 18 months. The intention would be that Council could repay this loan either over the period currently identified in the 2018 LTP or at an agreed rate of time to better reflect Councils financial position as a result of COVID 19 to be agreed.

Please indicate clearly whether you consider any information you have provided in this form to be confidential. Confidential information will not be publically released, other than in anonymised form, except to the extent that any release is required by law.