
REPORT 2
(1215/52/IM)

GREENING THE QUAYS PROJECT

1. Purpose of Report

To provide an update on the Greening the Quays Project (CX051) and to request approval for a reallocation of funding to complete the construction and planting of the median.

2. Executive Summary

The project seeks to improve the amenity and the experience of the waterfront route by establishing a line of trees and medians from Cable Street to Bunny Street.

The total available budget for the project is \$2,701,000. The full scope of works was tendered on the 6th May 2006. Two tenders were received and both tenders exceeded the budget allocation.

The estimated cost to build the median from Cable Street to Bunny Street is \$3,352,325 (including a contingency of \$286,575). The available budget will enable only the section from Cable Street to Johnston Street to be built. To complete the remaining section will require an additional \$816,325.

Options for managing the budget shortfall were presented to Management Board on 19 June 2006. The Board agreed to let the contract for the scope of works that could be completed within the existing budget. The Board recommended that the funding of the remaining section of the median development was to be considered by Council at a later date.

Possible options for consideration by SPC are as follows:

Option One Only spend the existing approved budget

Option Two Fund the Shortfall of \$816,325 from the existing approved capex programme

Option Three Fund the shortfall of \$816,325 by borrowing additional capital

3. Recommendations

It is recommended that the Committee:

- 1. Receive the information.*
- 2. Approve the funding of the shortfall of \$816,325 from the existing approved Capex programme.*

4. Background

The Wellington Waterfront Route Improvement Study (WWRIS), undertaken by Opus Ltd in 1999, provided a framework for potential improvements for the Wellington Waterfront route. The study divided the route into three distinct sectors – Southern, Central, and Northern. The Greening of the Quays project fits within the Central Sector. Three options were identified for this sector:

- Retain the existing number of lanes with some intersection modifications. This allows for a physical central median with one row of trees.
- Remove one lane of traffic in one direction. This allows for a wider central median with planting of two rows of trees.
- Remove two lanes of traffic, one in each direction. This allows for a physical central median with a single row of tree planting and a single row of tree planting on both sides.

A design concept based on the first option was presented to Council's Strategy and Policy Committee on 5 May 2005. The Strategy and Policy Committee agreed:

- *That the Central Sector of the Wellington Waterfront Route Improvement Study by Opus International Consultants Ltd, retain the existing lane configuration with a widened planted median, be designed and implemented.*
- *That the funding \$0.5 million be brought forward from the 2006/07 financial year to the 2005/06 financial year to enable design and construction of the Central Sector and that this is reflected in the 2005/06 annual plan.*
- *To undertake a traffic and pedestrian amenity assessment once the inner city by-pass is completed.*

The engineering consultancy firm, Montgomery Watson Harza Ltd (MWH), was engaged to develop the concept design, prepare tender documents, contract specifications and construction drawings.

Wellington Waterfront Ltd and the Waterfront Technical Advisory Group (TAG) were consulted with during the process of developing the engineering drawings. This was done to ensure that the project design aligned with the concepts for the waterfront. Capacity, Wellington Cable Car, various utility companies, Cycle Aware Wellington and the Automobile Association were also consulted with to ensure that the implementation of the project would have minimal adverse effect on stakeholders and existing utility services.

Pohutukawa 'Maori Princess' was selected as the most suitable tree species to be planted along the route. This cultivar has an upright growth habit, making it ideal for street tree planting.

The full scope of works was tendered, by public tender, on 6 May 2006. Two tenders were received by the closing date. Both tenders exceeded the budget allocation for the project.

Options for reducing the scope of works were presented to Management Board on 19 June 2006. The Board believed that the best course of action was to award the contract for the construction of the median from Cable Street to Johnston Street. The residual part of the project (from Johnston Street to Bunny Street) could not be completed within the available budget and that a paper would need to go to the Strategy and Policy Committee to seek additional funding.

5. Discussion

5.1 Design Concept

The objectives for the Greening of the Quays project are to:

- Enhance the experience of using the waterfront route for vehicle occupants.
- Civilise the street space, encouraging use and occupation.
- Reflect the importance of the route as a gateway to the city.
- Enhance the identity of the city.
- Provide increased pedestrian opportunity for safe and convenient crossing between the city and the waterfront.

The design concept for this project is to create a line of trees in the median along the Waterfront route from Bunny Street to Cable Street. The main elements of the design are:

- Construction of a two metre wide (minimum) central median with a single row of trees and low native shrub planting. The existing views down the side streets to the waterfront are to be retained.
- Retention of all the existing lane configuration, intersection layouts and turning requirements, along with provision for a new signalled intersection pedestrian crossing at Brandon Street.

5.2 Project Budget & Shortfall

The original funding for the project was allocated over three years, from 2005/06 to 2007/08. During the LTCCP process, the funding for the project was condensed into two years; \$500,000 (2005/06) and \$2,394,000(2006/07).

After incurring stakeholder consultation and consultancy costs, the available budget for the project is **\$2,701,000** (\$307,000 CX051_CF and \$2,394,000 CX051). Of this budget \$150,000 has been allocated to indirect labour and \$15,000 to landscaping, leaving \$2,536,000 available for the construction of the median and the installation of the trees.

The contract price for this work is **\$3,165,750**, including a \$20,000 contingency. The revised estimated cost to build the median from Cable Street to Bunny Street is \$3,352,325. This cost estimate is derived from:

Contract Price	\$3,165,750
Remove savings associated with 117 – 137 Jervois Quay	-\$100,000
Add increase to contingency	\$286,575
Revised Cost Estimate	\$3,352,325

This leaves a budget shortfall of \$816,325.

5.3 Tender Evaluation & Project Scope

The construction tender was advertised on 6 and 10 May 2006. The closing date for the tender was 31 May 2006. Nine sets of documents were issued to contractors. Tenders were received from Higgins Contractors Limited (Higgins) and Fulton Hogan Limited.

Both tenders were assessed using the weighted attributes assessment, which assesses the contractor on both non-price attributes (ability to construct the project) and price. Both Higgins and Fulton Hogan's non-price attribute scores were acceptable and both moved onto Stage 2. The price envelopes were opened in accordance with Stage 2 of the tender evaluation procedure. Both tenders exceeded the budget allocation.

Five options for reducing the scope of works were presented to the Management Board at the 19 June 2006 meeting. At that time, the Board agreed that a contract could be let for work for the existing budget and officers were to report back with proposals to fund the remaining section of the median prior to preparing a paper to SPC.

The contract to construct the median was awarded to Higgins Contractors Wellington Limited.

5.4 Construction Programme

Construction started on 17 July 2006, and is scheduled to take 10 months to complete. The work started at the southern end of the route and is progressing northward. The first section, Cable Street to City to Sea Bridge is complete with the trees being planted on 10th October 2006. The second section, City to Sea Bridge to Harris Street will be completed within the next two weeks.

Construction works are occurring Monday to Friday from 9am to 4pm and on Saturdays from 7am to 6pm. At least two lanes in each direction will be open to traffic at all times.

5.5 Selected Tree Species

In its deliberations in May 2005, the Committee expressed a high level of interest in the tree selection for this project. The Pohutukawa 'Maori Princess' was selected as the tree to be planted along the median. This selection was guided by discussions with Parks & Gardens and the Wellington Botanic Society, and with regard to three studies which Council has commissioned which identify possible tree species; *Greening Central Wellington*, *Wellington Waterfront Route Improvement Study*, and *Wellington City Gateway Tree Species Selection – Waterloo Quay*.

'Maori Princess' has been grown in New Zealand for approximately 25 years and is known to grow, in ideal situations, to a height of 8 metres.

The trees are to be planted, where possible, at 12 metre spaces along the median. There is potential for the tree canopies to touch and give a coherent green avenue effect along the waterfront route.

An area has been set aside on Taranaki Wharf adjacent to the karaka grove to allow the trees to 'harden off' prior to planting. A tree pen has been constructed and the trees have been delivered and installed.

5.6 Possible Funding Options

There are several funding options for SPC to consider:

Option One - Only spend the existing approved budget

This will enable the construction of the median and the installation of trees from Cable Street to Brandon Street. It should be noted that if the entire contingency funding is not spent there will be some funding available that would allow further work to be completed.

Implications

- No change to the current budget allocation for this project.
- A request for additional funding in the next annual plan will be made to complete the project to Bunny Street.

Risks

- Public and political expectations of the project, as presented to 5th May 2005 SPC, not being realised by further reducing the scope of works.
- Unsuccessful at gaining additional funding for the project in coming annual plan round and the full project not being implemented.

Option Two – Fund the Shortfall of \$816,325 from the existing approved capex programme

This option involves reprioritising the Council's capex programme within the current financial year. This will enable full completion of the medians from Cable Street to Bunny Street, as presented in the original scope of works at the 5 May 2005 SPC.

We have reviewed current CAPEX forecasts to determine potential savings. The water reservoir pump station renewals project has been identified as one which will not be completed within the current financial year, due to further design work required for the Messines Road reservoir.

Therefore, this option proposes that:

- A portion of the approved 2006/07 funding for the water reservoir pump station renewals project CX127 to fund the shortfall for the greening of the quays project.

- The under-spend for CX127 be deferred to the following year and subject to the normal prioritisation and approval processes as part of the 2007/08 Annual Plan finalisation.

Option Three – Fund the shortfall of \$816,325 by borrowing additional capital

Like option two above, this will enable full completion of the medians from Cable Street to Bunny Street.

Borrowing additional capital would breach the Council imposed Funding Cap of \$20 million.

Option Two is considered to be the best option as it enables the construction of the median from Cable Street to Bunny Street as presented to SPC on 5 May 2005.

6. Conclusion

The full scope of works was tendered by public tender and two tenders were received. Both tenders exceeded the budget allocation for the project. Options for reducing the scope of works were presented to Management Board on 19 June 2006. The Management Board agreed that the contract be let to Higgins Contractors Wellington Limited for the scope of works that could be completed within the existing budget and the funding of the remaining section of the median development was to be considered by Council at a later date.

The cost to build the median from Cable Street to Bunny Street is \$3,352,325 (including a contingency of \$286,575). The available budget will enable only the section from Cable Street to Johnston Street to be built. To complete the remaining section will require an additional \$816,325.

Three possible options for consideration by SPC are as follows:

1. Only spend the existing approved budget
2. Fund the shortfall of \$816,325 from the existing approved Council Capex programme
3. Fund the shortfall of \$816,325 by borrowing additional capital

It is recommended that SPC adopt Option Two for the completion of the project.

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Supporting Information

1) Strategic Fit / Strategic Outcome

This paper makes a contribution to the multiple Strategic Outcomes of 1.1 Liveable City, 1.2 Network City, 1.4 Compact City, and 1.5 Beautiful City.

2) LTCCP/Annual Plan reference and long term financial impact

This project is contained in the Council Plan # CX051. The changes indicated here will lead to an increase in capital expenditure in the coming year of 0.5million in the 2005/06 financial year.

3) Treaty of Waitangi considerations

N/A

4) Decision-Making

The recommended option has been developed and reflects the views of the relevant Council Units.

5) Consultation

a) General Consultation

Consultation has occurred during the development of this project with stakeholders such as Greater Wellington, Wellington Waterfront, Cycle Aware Wellington, utility companies and bus operators.

b) Consultation with Maori

N/A

6) Legal Implications

N/A

7) Consistency with existing policy

This report recommends measures that are consistent with existing WCC policy.