

To Brett Gliddon, Robyn Elston, Mark Kinvig & Matt Trlin
Cc Craig Mitchell, Sean Walsh, Colin Knaggs, Colin MacKay & Peter Spies
From Brad Cabell & Rich Osborne
Date 10 March 2023
Subject NZUP Queenstown

1. Purpose

To provide an update on the status of the NZUP Queenstown package and outline potential next steps.

2. Current Situation

There are significant challenges affecting our ability to deliver the NZUP Queenstown package.

Kā Huanui a Tāhuna, the Queenstown Alliance, provided a 30% design which was used by our independent estimators, BondCM, to develop an independent estimate. On the 3rd of February 2023 a Target Outturn Cost (TOC) exchange occurred which identified a significant difference between the estimates. This was in the order of **s 9(2)(j)** with an independent estimate of **s 9(2)(j)** vs an Alliance estimate of **s 9(2)(j)** (see initial preliminary cost reconciliation attached as **Appendix A**).

BondCM were further instructed to review the documentation to get a better understanding of the key themes and issues as well as identify any big-ticket items or errors so we can possibly close the gap between the respective estimates. These items are outlined in a letter from BondCM attached as **Appendix B**. The key items of difference are the risk allocation, the rates, productivity, and the forecast completion date.

After the above process the previous difference of **s 9(2)(j)** has reduced. However, given the magnitude of the difference and until we know what is affordable, we do not believe there is merit in continuing with this process. BondCM have confirmed, that based on the large differences in the estimates and the considerable number of risks put back on the owners, that it would be almost impossible to reach a reconciliation.

3. Associated work

During this time the project team has reviewed the problem definition and investment objectives that were developed as part of the Queenstown Business Case (not specifically for the NZUP Queenstown Package). They are still considered appropriate for assessing the transport options for Queenstown.

We have also undertaken an internal prioritisation process to understand what we might be able to afford based on the current budget allocation, problem statements and investment objectives out of the business case. This is outlined in the table attached as **Appendix C**. Option 5 is our likely preferred option. It comprises the following:

- The reconfiguration of the SH6/SH6A intersection (the BP Roundabout);
- The expansion of the Frankton Bus Hub; and
- The Howards Drive roundabout.

The BP Roundabout and the Frankton Bus hub are fundamental to achieving the direction of the business case around prioritisation of public transport. The Howards Drive roundabout is an important safety project and will provide connectivity to the Ladies Mile Masterplan area which is a Priority Development Area within the Queenstown Spatial Plan.

However, we will need additional cost information from Kā Huanui before we can confirm whether this is affordable. This is due ~ 17 March. The prioritisation table provides options to scale up or down based on available funding. It will also allow several key risks to be mitigated based on the preferred option.

Also, while we briefed the QLDC Councillors in early Feb on a range of matters, including NZUP Queenstown, and have discussed the above with their staff, we still need a process to agree what would be prioritised given the likely costs, and funding envelope.

4. Potential next steps

- Prepare a report for the NZUP Governance Group based on available information – March 2023.
- Agree a prioritisation process with both QLDC and ORC staff – March/April 2023.
- Brief QLDC and ORC elected representatives – April/May 2023
- Report back through the NZUP Governance Group when this process is complete – May/June 2023.

Appendix A TOC 4 Preliminary Partial Reconciliation



230223 FAW - TOC
45 TOPSHEET Maste

Appendix B BondCM Themes & Issues Letter



230214_TOC4-5
Analysis.pdf

Appendix C Proposed Prioritisation Table



NZUP QTN option
overview 21.03.01.doc