



ROTORUA
LAKES COUNCIL

ROTORUA MUSEUM
TE WHARE TAONGA O
TE ARAWA

Project Update December 2023

WHAT'S HAPPENED

Aug 2023

- Council resolved to proceed with the project subject to the committee being satisfied with conditions being met
 - a) **The Committee acknowledges that it would not be prudent for Council to apply additional funding beyond the \$15.5m already committed to the project.**
 - b) **The Committee direct staff to negotiate a construction contract and project management approach that sufficiently de-risks the project and that there is a progressive approach to construction.**
 - c) **Existing and additional funding being confirmed which allows a future Committee approval to enter into a construction contract for the awarding of each stage of the construction to the extent of funding available.**
 - d) **Staff to report back on other risk and cost mitigations and a process to manage the contract.**



WHAT'S HAPPENED

Sept 23

- New approach to project management with building governance group established with local external experts, Councillor Karen Barker appointed as committee observer
- Parted company with Hawkins the preferred contractor up until this point
- Competitive 6 week tender process to 4 construction suitable qualified contractors, EOT approved for additional 2 weeks now Closed 1st Dec
- Scope reduction, remove public access to the mud bath basement exhibition space approximately. Scope change to café kitchen to heat and eat only, achieves savings of approx. \$1.9m, some redesign work required.
- RMCT provides a grant of \$32k to enable exhibition concept design work to continue



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WHAT'S HAPPENED

Sept 23

- Project has been broken down into 3 separable portions (SP) to enable a progressive approach to construction, and build as funding allows.

SP Base:

- Earthquake strengthening, fire systems, water tightness of full building
- Full roof replacement
- Fit out to zones 1 2 & 3 (mezzanine excluded in zone 3)

SP1:

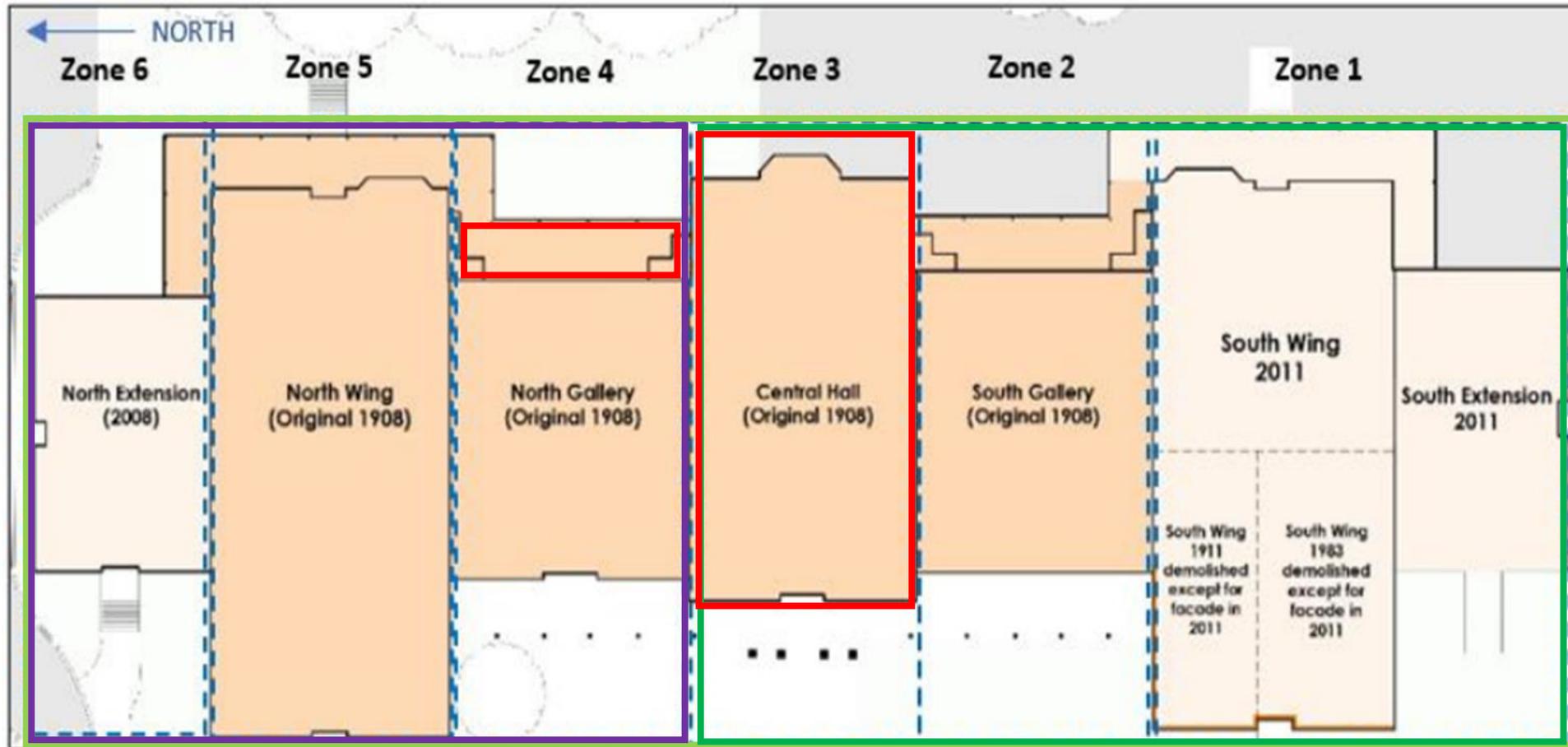
- Fit out of zones 4,5,6 excluding classroom in zone 4

SP2:

- Fit out of mezzanine, conference space and class room



SEPARABLE PORTIONS



SP Base:

- EQ strengthening & water tightness of full building
- Full roof replacement
- Fit out to zones 1 2 & 3 (mezzanine excluded in zone 3)

SP1

- Fit out of zones 4,5,6 excluding classroom in zone 4

SP2

- Fit out of mezzanine, conference space and class room



Figure 4.2: Years and stages of building of the Rotorua Museum. Source: DPA Architects⁷

Point Cloud

Zone 3

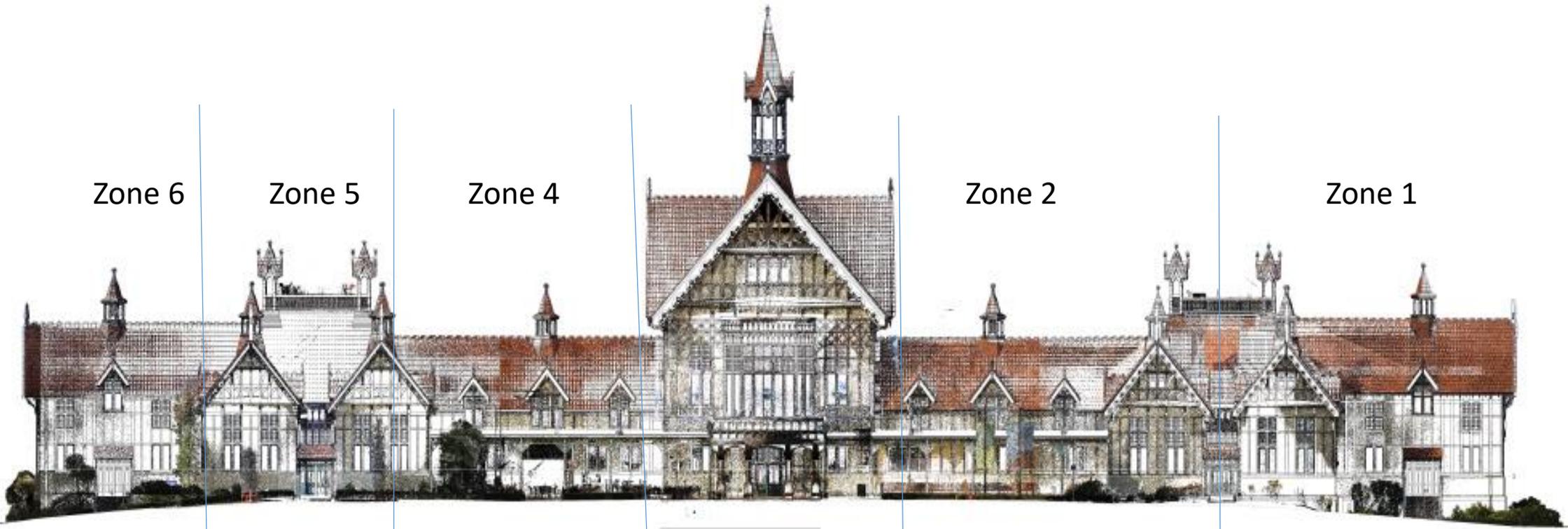
Zone 6

Zone 5

Zone 4

Zone 2

Zone 1



2008

1908

1908

1908

1908

2011



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WHAT'S HAPPENED

Oct/Dec 23

- Site visits from contractors and sub trades
- Exhibition/ building project integration workshops with DPA and Workshop E x2
- Cr Greg Brown appointed as an additional committee observer
- Two contractors pull out of tender process
- Unable to progress funding conformation and new agreements with central government agencies due to election and coalition talks
- Agreement for additional \$5m from Rotorua Trust signed with media release
- Request made to BOPRC for redirection of funding of \$4.1m from exhibition to build project to narrow the funding gap decision due 14th December
- Tender closed 1 December evaluation process in underway



FUNDING POSITION

FUNDER	CONFIRMED	UNCONFIRMED
RLC	\$15.5	
KANOA	\$17	\$5
RECT	\$15	
MCH	\$5	\$4
LOTTERIES SPF	\$6	
LOTTERIES HERITAGE	\$0.35	
NZCT		\$0.6
STOUT		DECLINED
J LAGOUW		\$1
BOPRC	\$4.1	
CROWD FUNDING		
\$M	\$63	\$10.6

FUNDING FORECAST \$73.6

ESTIMATE \$79.5

QS ESTIMATE FUNDING GAP \$5.9

**\$81.4M MINUS \$1.925M BASEMENT
AND CAFE SCOPE REDUCTION**

PROJECT RISKS

Funding

- Additional funding \$5m decision required by Kanoa
- Funding conditions agreement with MCH for separable portions approach
- BOPRC decision to transfer exhibition funding Dec 14th
- Potential funding gap unless tender pricing favorable

Tender

- Price is higher than funding allows for SP base
- Non compliant tender
- Methodology issues
- Contract tags

Construction

- Contingency is not large enough to meet unknowns
- Price escalations due to delays in decisions



WHAT'S NEXT

- Dec/Jan -Tender evaluation process
- Dec/Feb – Confirm funding and agreement conditions
- Feb – Tender recommendation to Council
- Feb/Mar- Contract negotiations
- April/May - Construction begins as funding allows



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QUESTIONS ?



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