



**Western  
Bay of Plenty**  
District Council

# **MINUTES**

# **ATTACHMENTS**

Council Meeting – CL25-13  
4 September 2025 Council Meeting

Thursday, 4 September 2025



# Table of Contents

---

12.4.1 Te Puke Wastewater Treatment Plant Report – Redacted – 4 September 2025  
Attachment 1 12.4 Te Puke Wastewater Treatment Plant Report – Redacted – 4  
Sept 25.....4

Confidential Council Meeting Agenda

4 September 2025

## 12.4 TE PUKE WASTEWATER TREATMENT PLANT – CONSIDERATION OF FEEDBACK, OPTIONS TO PROCEED AND PROPOSED CONTRACT AWARD

**File Number:** A6907857

**Author:** EJ Wentzel, Water Services Director

**Authoriser:** Miriam Taris, Interim Chief Executive Officer

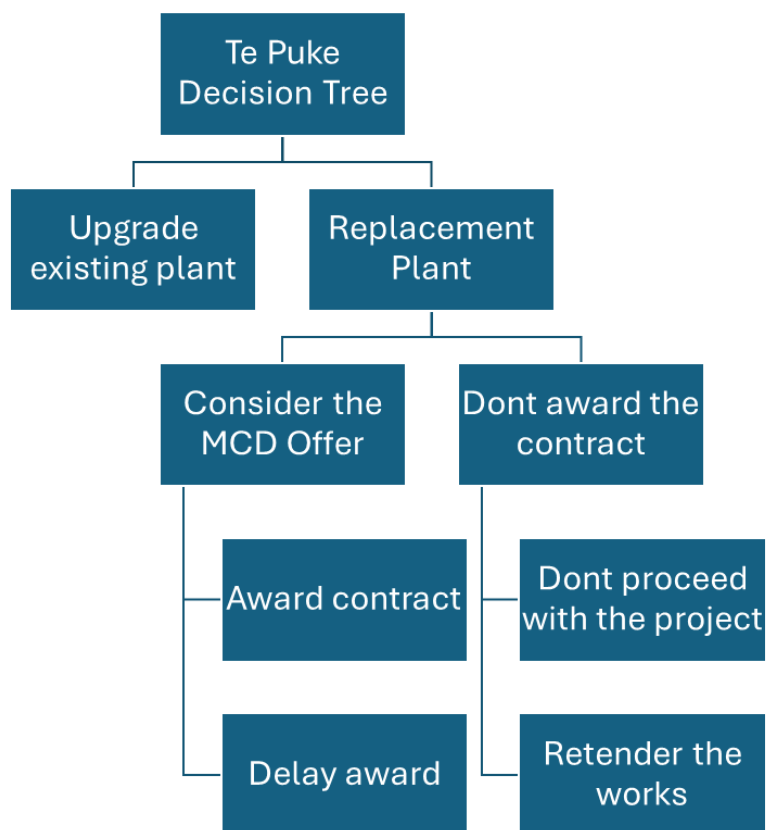
|                               |   |
|-------------------------------|---|
| <b>Section under the Act</b>  | The grounds on which part of the Council or Committee may be closed to the public are listed in s48(1)(a)(i) of the <i>Local Government Official Information and Meetings Act 1987</i> .  |
| <b>Sub-clause and Reason:</b> | s7(2)(g) and s7(2)(i) – the withholding of the information is necessary to maintain legal professional privilege and the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). |

### EXECUTIVE SUMMARY

1. This report provides elected members with the background to the Te Puke Wastewater Treatment Plant (TPWWTP) project, including historic context, consent requirements, budget changes, external technical advice, and the key decisions made by Council to date. In summary, the project involves providing a solution for addressing issues with the current TPWWTP relating to environmental effects and the need for additional capacity. The objectives of the decisions to be made by Council at the meeting on 4 September 2025 are to confirm a preferred project solution (upgrade or replacement of the existing plant) and provide direction relating to awarding a construction contract.
2. Since early 2023, there has been an ongoing process of planning for the project including public consultation through annual and long term planning cycles. Most recently, targeted consultation with developers was undertaken between 1 July and 17 August 2025, with written submissions and/or verbal feedback presented to Council on 15 August. The report summarises this feedback and provides an overview of key feedback themes to assist with Council's consideration of feedback.
3. Independent analysis has been included to support decision-making, covering the projected increase in project costs since 2023, the cost implications of delaying or retendering and the risks of re-using the existing plant.
4. Council is asked to confirm its preferred approach for the project. If the preferred option is to replace the wastewater treatment plant, approval is sought to award the NZS3916 Design and Build contract to McConnell Dowell Constructors Ltd (MCD) within the approved Long-Term Plan budget.



5. The decision tree below provides a summary of the reasonably practical options identified for the achievement of Council's objectives.



**RECOMMENDATION**

1. That the Director Water Services report dated 4 September 2025 titled 'Te Puke Wastewater Treatment Plant – Consideration of feedback, options assessment and proposed solutions to be received.
2. That the report relates to an issue that is considered to be of **high** significance in terms of Council's Significance and Engagement Policy.
3. That Council receives and gives consideration to the written and verbal feedback from developers and stakeholders on the proposed Te Puke Wastewater Treatment Plant (TPWWTP) from the targeted engagement undertaken between 1 July and 17 August 2025, as set out in **Attachment 1** together with its understanding of the current views and preferences of interested and affected parties from other engagement and consultation processes.

Issue 1: Project Approach

4. That Council confirms one of the following options as the preferred way forward:
  - a) **Option A (Recommended): Proceed with the replacement of the Te Puke Wastewater Treatment Plant (TPWWTP);** or
  - b) Option B: Upgrade and reuse the existing Te Puke Wastewater Treatment Plant (TPWWTP); or

Issue 2: Next Steps if Replacement Plant is Confirmed

5. That, if Council confirms Option A (Replacement Plant), it then determines one of the following next steps:
  - c) **Option A1 (Recommended): Approves awarding the NZS3916 Design and Build contract for TPWWTP upgrade to McConnell Dowell Constructors Ltd for [REDACTED] [excl. GST],** or
  - d) Option A2: Delay the decision for six to nine months to allow further consultation and/or review; or
  - e) Option A3: Do not award the contract.

Issue 3: Sub-options if Council Chooses Not to Award

6. That, if Council confirms Option A3 (Do not award the contract), it then determines one of the following sub options:
  - f) Option A3(i): Direct staff to re-tender the works through an open procurement process; or
  - g) Option A3(ii): Maintain status quo and not proceed with the project and direct staff to ....

## Confidential Council Meeting Agenda

4 September 2025

7. That, if Council confirms **Option A1 (Award Contract)**, authority is delegated to the Chief Executive to execute the contract and oversee implementation.
8. That the report and resolutions be:
  - a) redacted as necessary to maintain commercial sensitivity; and
  - b) Transferred into the Open section of the meeting and made available on Council's website as soon as practicable following the Council meeting held 4 September 2025.

**BACKGROUND – SUMMARY**

6. Te Puke Wastewater Treatment Plant (TPWWTP) was constructed in 1987 and has undergone incremental upgrades over time. Despite these improvements, the facility no longer meets current and future compliance requirements, particularly in light of the stricter discharge consent issued in 2019 (expiring 2054).
7. In 2022, Council considered whether to refurbish the existing plant or construct a replacement facility. Following feasibility assessments and workshops with elected members, Council resolved in January 2023 to progress with a replacement plant. This approach was assessed as offering greater long-term resilience, operational efficiency, and reduced risk compared to refurbishment. The proposal for a new plant including associated budgets and funding was consulted on and included in the 23/24 Annual Plan and the 2024/34 Long Term Plan. The project has been progressed based on the council recommendation for a replacement plant, and therefore any return to upgrade the existing plant would require the project to be completely revisited with costs incurred to date largely sunk costs.
8. To support project planning, McConnell Dowell Constructors Ltd (MCD) were engaged in March 2023 through an Early Contractor Involvement (ECI) process. This phase enabled design development, cost planning and risk assessment. During this process, MCD proposed the INVENT SBR treatment technology, an internationally proven process offering lifecycle cost savings and robust compliance performance. A staff and technical advisor delegation visited operating sites in the United States in early 2025 to verify system performance.
9. As part of the iterative planning and decision-making process for the project, on 26 June 2025, Council considered and approved in principle an updated funding model for the replacement plant. The resolution confirmed the allocation of costs across existing ratepayers, growth contributions, and the Rangiuru Business Park, and reflected updated project costs. The revised model also captured items not included in earlier preliminary estimates, such as expenditure already incurred, Council-led activities (e.g. demolition, client contingency, legal/probity advice, iwi engagement and wetland conversion), and provisional sums identified through the ECI process. This provide detail on the \$25 million increase since January 2023.

## Confidential Council Meeting Agenda

4 September 2025

10. In addition to the public consultation processes associated with Annual and Long Term planning, more targeted engagement with the Te Puke developer community took place over a 6 week process between 1 July and 17 August 2025. A meeting with developers was held on 1 July and submitters could choose to present feedback verbally to Council at its 15 August meeting. The feedback, alongside further independent reviews of costs and risks, is summarised in this report and attached in **Attachment 1**.
11. This report brings together the feedback from consultation, external advice, and updated cost analysis, and identifies options for consideration by elected members before deciding how to proceed.

**WHY IS THE PROJECT REQUIRED****Resource Consent**

12. In 2018, Council obtained a new resource consent for the existing discharge of treated wastewater into the Waiāri stream. The consent was granted for a 35-year term; however, a condition was included within the consent that requires Council to establish and retain by appointment a Wastewater Advisory Group (WWAG) to complete the investigation of an Alternative Disposal Option Study.
13. Council is continuing to explore alternative discharge options, and the TPWWTP upgrade project will not foreclose any of these alternative options.
14. The consent increased the standards expected of the treated wastewater. The new discharge standards are detailed in the table below.

**Table 1: Discharge Standard Comparison**

| Parameter               | Previous Consent |                           |           | New Consent                      |                           |
|-------------------------|------------------|---------------------------|-----------|----------------------------------|---------------------------|
|                         | Median           | Maximum                   | Max Load  | 10 out of 12 consecutive samples | Maximum                   |
| <b>Flow</b>             | -                | 9,000 m <sup>3</sup> /day | -         | 4,000 m <sup>3</sup> /day        | 9,000 m <sup>3</sup> /day |
| <b>cBOD5</b>            | -                | 30 g/m <sup>3</sup>       | 55 kg/day | 20 g/m <sup>3</sup>              | -                         |
| <b>TSS</b>              | -                | 30 g/m <sup>3</sup>       | 60 kg/day | 20 g/m <sup>3</sup>              | -                         |
| <b>TN</b>               | -                | -                         | 90 kg/day | 25 g/m <sup>3</sup>              | 70 kg/day                 |
| <b>DRP</b>              | -                | 20 g/m <sup>3</sup>       | -         | -                                | -                         |
| <b>TP</b>               | -                | -                         | -         | 15 g/m <sup>3</sup>              | -                         |
| <b>Faecal Coliforms</b> | 200/100 mL       | 1,000/100 mL              | -         | -                                | -                         |

## Confidential Council Meeting Agenda

4 September 2025

|                |   |   |   |            |              |
|----------------|---|---|---|------------|--------------|
| <b>E. Coli</b> | - | - | - | 200/100 mL | 1,000/100 mL |
|----------------|---|---|---|------------|--------------|

15. Preliminary process modelling in 2017 assessed the existing plant's capacity against the revised limits and projected growth. The modelling showed that even under 2015 average dry weather flows, the biological treatment processes lacked sufficient volume to meet nitrogen removal targets. Significant upgrades were recommended to ensure compliance through to 2051 and to support long-term growth.
16. Further urgency arose from wet weather overflows in 2022, which highlighted the plant's vulnerability during peak inflow events. At the same time, the renewal of the discharge consent introduced tighter compliance targets to be achieved by 2026. The existing plant is not designed for phosphorus removal and has therefore been non-compliant for several years.
17. Council successfully applied for an extension of the compliance deadline to 2030 (from 2026).
18. While this extension provides some additional time, given the lead times required to plan for and undertake the necessary works, there remains urgency to progress the project to ensure compliance.
19. Following completion of the project (whether an upgrade or replacement), a commissioning and optimisation period of 3 to 6 months will be required to demonstrate compliance with the discharge standards.

**Capacity and Growth**

20. Stage 1 and 2 of the proposed replacement plant, together with the current discharge consent, provide for a total population of approximately 16,000. At this time, only Stage 1 is planned to be implemented, which caters for a population of around 13,000 plus the first stage of the Rangiuru development. Any further growth or intensification beyond these planned areas will require additional(planned for) upgrades and a new discharge consent.
21. The capacities of the proposed staged replacement plant are:
  - Stage 1 Capacity (ADWF): 3,138 m<sup>3</sup>/day(funded through 24/34 LTP)
  - Stage 2 Capacity (ADWF): 4,757 m<sup>3</sup>/day(To be provided for in future Water Services Strategy)
22. A fast-track application is expected to be lodged later this year by Bluehaven Group for the Wairakei South Development (WSD) on Bell Road. Initial estimates indicate an ultimate development of 3,000 residential lots and 60 hectares of commercial land serving an eventual population of around 9,000. Best estimates assume steady growth of approximately 167 lots per year from 2029. Bluehaven has indicated a preference for connecting to the Te Puke WWTP.

## Confidential Council Meeting Agenda

4 September 2025

23. If WSD is allowed to connect to TPWWTP it is anticipated that:
- Stage 1 capacity would be reached approximately 3 years earlier, in 2031/32 instead of 2034/35.
  - Stage 2 capacity would be reached in 2038/39, whereas without WSD Stage 2 capacity may not be fully reached during the planning horizon.
24. Council's Long-Term Plan projects an average of 128 homes delivered per year from 2024 to 2032. However, Council's rates database shows that between 2003 and 2025 Te Puke growth has averaged only 27 homes per year (with a maximum of 54). Growth assumptions are monitored annually and underpin Council's Annual Plan and Long-Term Plan processes.
25. Quayside expects Stages 1a/1b of RBP to be complete by 2027. Projections have assumed a straight-line uptake which may be considered conservative, but at this stage it is difficult to suggest any alternative growth pattern.
26. SmartGrowth figures show that an average of 188 homes per year (maximum 312) have been delivered across Wairakei over the last decade. Bluehaven's projection of 167 lots per year is therefore plausible, though still ambitious if Te Tumu Urban Growth Area also begins development within a similar timeframe.
27. There is inherent uncertainty in realising the full growth projections for Te Puke. If WSD does not proceed, there is a risk of underutilised capacity in the treatment plant. However, if WSD is allowed to connect, pressure on capacity would accelerate.
28. As these figures are conservative, it may be reasonable to expect Stage 2 capacity to be reached closer to the expiry of the WWTP discharge consent in 2054, at which point further upgrades or alternative discharge options would need to be considered.
29. As Bluehaven is proposing a fast-track consent, Council staff have indicated that Council is open to working with Bluehaven to develop a solution to wastewater discharge.
30. To accommodate WSD, Stage 2 of the WWTP replacement would likely need to be brought forward, which currently sits outside the 10 Year Long-Term Plan (LTP). Work to explore alternative discharge options would also need to be accelerated.
31. **Attachment 7** shows different average dry weather flow scenarios to TPWWTP including:
- Te Puke (LTP Projected Growth) + RBP
  - Te Puke (Historic average growth 127 lots created/ year) + RBP
  - Te Puke (LTP Projected Growth) + RBP + WSD
  - Te Puke (Historic average growth 127 lots created/ year) + RBP + WSD
32. The slowdown of growth from 2050 in each of the scenarios indicates ultimate planned development in RBP and WSD being reached.

## Confidential Council Meeting Agenda

4 September 2025

33. Accommodating WSD is likely to bring forward Stage 2, which currently sits outside the 10 Year LTP. However, there are potential strategic benefits from WSD infrastructure (notably the transfer main) that could later support Te Puke–Te Tumu connectivity, reversed flows, or conveyance to an alternative discharge solution. Council staff have indicated they are open to working with Bluehaven under the fast-track pathway to develop a robust wastewater solution subject to any LGA planning and decision making processes being followed.
34. The precise year each threshold is crossed is less important than the direction of travel: adding WSD (at 167 lots/year) plus RBP brings forward capacity pinch points beyond TPWWTP Stage 2 and decisions around consenting beyond 2054. Given market competition (e.g. Te Tumu, Papamoa East) and delivery risk, it is recommended that Council plan for earlier capacity pressure while keeping options open: either (a) permit a WWTP connection with clear triggers and funding pathways for Stage 2 delivery, or (b) signal that Bluehaven progress a stand-alone plant engineered for future regional integration. The purpose of this report is not to make any decisions on the WSD development but just to indicate the potential impact of the development on future capacity.

**Rangiuru Business Park**

35. Council has agreements in place with Rangiuru Business Park (RBP) to treat its wastewater. This additional flow is one of the key drivers for the project, as the current plant does not have sufficient capacity to reliably manage RBP flows while maintaining compliance with consent conditions.
36. The design approach taken for a proposed replacement plant has therefore considered provision of sufficient capacity for the existing Te Puke community plus RBP Stage 1. This ensures growth can proceed without breaching consent conditions. Any further stages of RBP or wider development will require additional plant upgrades and a new discharge consent.

**CONSIDERATION AND DECISION-MAKING TO DATE**

37. Council has made a series of planning, design, and procurement decisions that have shaped the development of the TPWWTP project to date. Engagement on the project has been undertaken at several stages, with an overview of this timeline set out below:

**Long Term Plan 2021–2031**

38. The Long-Term Plan 2021/31 signalled the TPWWTP project as a significant infrastructure issue, with alternative discharge options and population growth identified as key drivers for the need for significant upgrades, alongside capacity for Rangiuru Business Park.
39. At this time \$48.96M was budgeted for the TPWWTP upgrade and the Rangiuru Business Park contribution to the project between 2021/22 and 2030/31.

## Confidential Council Meeting Agenda

4 September 2025

40. This was included in the consultation document as part of the summary of the Infrastructure Strategy.

**Annual Plan 2023/24**

41. An Issues and Options Paper was presented to the Annual Plan/Long Term Committee in February 2023, which considered two options in relation to the Te Puke Wastewater Treatment Plant project. The options were for a partial new plant/upgrade or a full new plant, noting that the cost was about the same at this time, but would likely differ around 10% further into the process. At that time \$48.96 million was included in the Long-Term Plan 2021/31 budget and an additional budget for the project of \$8.86 million was sought.
42. The Committee resolved to approve the design and construction to replace the existing Te Puke Wastewater Treatment Plant and construct a totally new wastewater plant (RESOLUTION APLTP23-1.14 PART 12). Through this same resolution, Council approved an additional budget for the project of 8.86 million.

**RESOLUTION APLTP23-1.14 PART 12**

Moved: Cr M Murray-Benge

Seconded: Cr M Grainger

3. That the Committee resolves the following decisions, as discussed in **Attachment 1** of the agenda report, to inform the Consultation Document for the draft Annual Plan 2023/24:

- k. Te Puke Wastewater Treatment Plant Upgrade

- i. Option 1

That Council approves the design and construction to replace the existing Te Puke Waste Water Treatment Plant and constructs a totally new Wastewater Treatment Plant.

---

That Council approves an additional budget for FY2024 of \$8.86 million.

**CARRIED**

43. It is acknowledged that the costs considered in this paper were for the construction costs only and not Council total project budget costs. (See funding approach evaluation below) which were still being developed.
44. The Te Puke Wastewater Treatment Plant was included in the Annual Plan Consultation Document, outlining the current budget, proposed change in approach and additional budget sought.



**Projects and Monitoring Committee Meeting**

45. Updates on the TPWWTP project progress and status were presented to the Projects and Monitoring Committee.

46. On 31 October 2023, an update was brought to the Projects and Monitoring Committee Meeting on the TPWWTP:

*The project budget is under severe pressure due to high construction escalation over the last couple of years. The project programme is also under pressure, discussions are ongoing with the project team to better manage that. The programme is further at risk due to the earthworks consent that is being delayed by further information requests by BOP Regional Council and discussions with Iwi.*

47. A further update was provided to this Committee in February 2024:

*The project is under pressure with the project team working to resolve various concerns and to get the project back on track.*

- *Budget – High construction escalation over the last couple of years and availability of material as resulted in a need to increase the budget.*
- *Consultant Performance – There are concerns with the designer's performance and their ability to keep to programme. Staff working diligently with the designer to get them back on track and resolve outstanding variations.*
- *Consent – The consent is currently delayed, Council is working with Iwi to gain their support and address Regional Council concerns.*
- *Iwi – The relationship with Iwi is strained and is impacting the programme. A meeting is planned to reset the relationship and ensure a collaborative relationship is developed and aligns with Council strategic priorities.*

*This will have an impact on project completion and cost. Adjustments have been made in the proposed LTP budgets to accommodate the high construction escalation and other delays.*

**Long Term Plan 2024–2034**

48. The Long-Term Plan 2024/2034 included a budget of \$78 million for the TPWWTP.

49. The TPWWTP was included as a major project in the Financial Strategy, Infrastructure Strategy and Wastewater Activity sections. Similarly, the project was referenced multiple times in the consultation document and supporting information for the Long-Term Plan 2024/34.

50. Consultation on the Long-Term Plan 2024/34 took place between 17 May and 17 June 2024.

**Annual Plan 2025/26**

51. Through the Annual Plan 2025/26 process, Council's capital works programme was updated to reflect actual project progress and timing expectations for the coming year. This included reducing the budget for the TPWWTP by \$19.6M in the 2025/26 year, but re-budgeting this later in the project cycle.
52. This change reflected the nature of the Annual Plan as a budget updating process for the year, allowing for rephasing of projects and timing rather than a material change to overall project costs. Consultation is required only for significant or material changes.

**Funding Model Approach**

53. On 26 June 2025, Council approved in principle the updated funding model for the TPWWTP project, confirming cost allocations between existing ratepayers, Te Puke growth areas, and Rangiuru Business Park. This is discussed further in a separate section below.

**Targeted engagement with developers (please see separate section)**

54. Recent targeted engagement with the Te Puke developer community took place between 1 July and 17 August 2025 to enable more focussed feedback prior to Council making the decisions needed to proceed with implementation of the Project. An initial meeting was held with developers on 1 July to enable feedback on the consultation document. At the request of some developers, the feedback period was extended (to just over 6 weeks) and an opportunity was provided to present feedback directly to Council at the 15 August meeting. The extension of the feedback period involved deferring the meeting of Council to 4 September. A number of specific information requests were also received and responded to by staff.
55. The feedback, alongside further independent reviews of costs and risks, is summarised in this report.

**Engagement with tangata whenua (please see separate section)**

56. Engagement with Tangata Whenua has been undertaken through Te Ohu Parawai throughout the life of the project.

**Contract Negotiations**

57. Deferral of the substantive decisions to the meeting on 4 September provided an opportunity for Council to consider the more operational contractual matters at the meeting on 15 August, alongside the feedback presented by developers, prior to making the final decisions needed to implement the project. The options being considered at the 4 September meeting include various sub-options relating to awarding a contract if the Council resolves to proceed with a replacement plant. At the 15 August meeting, Council delegated authority to the Chief Executive to complete any final negotiations required to enable staff to report back to Council

## Confidential Council Meeting Agenda

4 September 2025

prior to consideration by Council of whether to award a construction contract at its meeting on 4 September 2025.

**THE TE PUKE WASTEWATER TREATMENT PLANT PROJECT**

58. As outlined above, the TPWWTP project addresses both environmental (consenting) and capacity issues. It was originally proposed to involve a two-stage upgrade of the existing plant; however, following feasibility and capacity assessments the project approach was revised to investigate and plan for the delivery of a replacement plant.
59. The replacement plan option recommended by staff is proposed to be delivered in two stages, with a significant portion of stage 1 infrastructure being designed to allow for full stage 2 capacity. This includes provision for a future population of approximately 16,235 in Te Puke and a fully developed Rangiuru Business Park. The recommended proposal would involve building stage 2 when demand and plant performance dictates.
60. The ultimate design capacity of Te Puke Wastewater Treatment Plant (TPWWTP) is summarised in the table below.

| Beneficiary Group                    | Population    | WWTP Stage 1 | WWTP Stage 2 | Total Average Dry Weather Flow ADWF (m3/day) |
|--------------------------------------|---------------|--------------|--------------|--|
| Te Puke Existing                     | 10,234        | 1,862        | -            | 1,862  |
| Te Puke Growth A                     | 3,051         | 555          | -            | 555  |
| Te Puke Growth B                     | 2,950         | -            | 537          | 537  |
| Rangiuru Business Park Stage 1 and 2 | -             | 769          | -            | 769  |
| Rangiuru Business Park Stage 3 and 4 | -             | -            | 1,033        | 1,033  |
| <b>Total</b>                         | <b>16,235</b> | <b>3,186</b> | <b>1,570</b> | <b>4,756</b>                                 |

61. It is proposed that the timing of Stage 2 will be considered through Council's Asset Management Planning and Water Services Strategy. This reflects Council's 'just in time' principle, as outlined in its Financial Strategy and Infrastructure Strategy.
62. The 'just in time' principle means that, where practical, capital expenditure is committed where there is sufficient evidence to show that development will occur. This approach ensures that growth-related debt is repaid as growth occurs and that existing infrastructure is fully utilised before further investment is made.
63. Council will continue to monitor population growth, number of connections, and wastewater flow volumes to determine the appropriate timing for Stage 2, recognising that growth and lot connection rates are currently uncertain.
64. This approach deliberately futureproofs the facility now, avoiding the need for costly retrofits or upgrades later. It is acknowledged, however, that the plant will initially provide capacity beyond currently zoned or planned development.

## Confidential Council Meeting Agenda

4 September 2025

65. Detailed design has been completed so that Council would be in a position to award a contract that caters for population growth, growing industrial/commercial demand, increased plant resilience (including seismic compliance), regulatory requirements, and the adoption of modern treatment technology.
66. On 26 June 2025, Council received a report on the INVENT SBR technology following independent technical reviews and site visits to operational plants in the United States of America.
67. McConnell Dowell Constructors Ltd (MCD) submitted a final Design and Build offer(after price negotiations) of \$ [REDACTED] (excl. GST). Independent cost reviews (Alta Consulting and Rider Levett Bucknall) confirm this [REDACTED] for the scope and risk transfer.
68. If Council proceeds to award the contract in September 2025, the expected completion date is Q1 2028. A further 3 to 6 months will then be required for commissioning and optimisation to meet the reduced discharge standards and allow for flows from Rangiuru Business Park. This timeline does not allow for construction delays. Council's preference is to build infrastructure of this scale "just in time"; the current timeline therefore leaves limited flexibility if delays occur.

**FUNDING APPROACH****Funding Model**

69. The TPWWTP project is budgeted to have a total project cost of \$95.7M.
70. Funding will come from multiple sources, including existing ratepayers (via the Wastewater Uniform Targeted Rate), developer financial contributions, and Rangiuru Business Park. The rates contribution is funded across the district by all properties with wastewater connections, consistent with Council's Wastewater funding approach.
71. Costings for both Stage 1 and Stage 2 have been prepared by Alta Consulting. The cost for Stage 1 is estimated at \$95.7 million, with a further \$15 million required for Stage 2 when required.
72. The funding model for the TPWWTP project has been developed to ensure fair and proportionate cost sharing among the key beneficiary groups: existing ratepayers, residential and commercial developers, and Rangiuru Business Park.
73. Funding splits have been determined based on flow contribution from each beneficiary. Cost analysis has identified that 14% of the Stage 1 cost relates exclusively to infrastructure that benefits only Stage 1 users (Te Puke Existing, Te Puke Growth A, and RBP Stage 1). The remaining 86% of Stage 1 cost relates to infrastructure that benefits all current and future users, including growth areas that have not yet been enabled through zoning such as Te Puke Growth B.

## Confidential Council Meeting Agenda

4 September 2025

74. Because zoning beyond 13,285 people equivalent (Te Puke Growth B) has not yet occurred, the associated share of funding will temporarily be held as a loan by Council. This will be recovered through financial contributions once growth is formally enabled through Council's planning processes. While this introduces some risk, it ensures fairness by protecting current developers from funding future capacity.

| Beneficiary Group      | Capacity Attributed to Beneficiary | % Split Partially Benefits (14%) | % Split Full Benefits (86%) | Total % Split |
|------------------------|------------------------------------|----------------------------------|-----------------------------|---------------|
| Te Puke Existing       | 1,862                              | 58%                              | 39%                         | 41.9%         |
| Te Puke Growth A       | 555                                | 17%                              | 12%                         | 12.5%         |
| Te Puke Growth B       | 537                                | -                                | 11%                         | 9.7%          |
| Rangiuru Business Park | 1,802                              | 24%                              | 38%                         | 35.9%         |
| <b>Total</b>           | <b>4,756</b>                       | <b>100%</b>                      | <b>100%</b>                 | <b>100%</b>   |

75. Each portion will be funded based on:

- Te Puke Existing – Loan funded recovered via Uniform Targeted Rate (UTR)
- Te Puke Growth A – Funded via Financial Contributions
- Te Puke Growth B – Loan funded to be recovered via Financial Contributions once planning allows
- RBP Stage 1 and Stage 2 – Funded directly through contributions from the Rangiuru Business Park.).

76. This funding model has evolved as the design has been refined and further information around costings and benefits recognised. Therefore, the percentage splits above, are different than the current approved LTP percentage splits, with the percentage to be funded by current developer financial contributions changing from 15% to 12.5%. The updated funding model was approved in principle by Council at its meeting on 26 June 2025.

77. The funding approach will require confirmation through future Council processes (Financial Contributions consultations, Annual Plan or Water Services Strategy as appropriate).

#### Budget Evolution (Attachment E)

78. The current \$95.7M budget reflects the full project cost, including escalation, contingency, and Council managed costs. By comparison, earlier estimates (2022 and LTP 2024/34) did not capture the full scope.
79. Independent advice from Alta Consulting (August 2025) analysed the movement in project costs. Their analysis is summarised in the tables below.

Confidential Council Meeting Agenda

4 September 2025

**Table 2: Comparison of Project Budgets (2022 vs Current 2025)**

| Cost Element                       | Dec 2022<br>Budget<br>(Nominal) | Aug<br>2025<br>Budget | Dec 2022 in<br>2025 \$<br>(Inflation-<br>Adjusted) | Change<br>vs.<br>Inflation<br>Only | Remaining<br>Change |
|------------------------------------|---------------------------------|-----------------------|--|------------------------------------|---------------------|
| Pre-Implementation<br>& Sunk Costs |                                 |                       |  |                                    |                     |
| Implementation Fees                |                                 |                       |  |                                    |                     |
| Physical Works                     |                                 |                       |  |                                    |                     |
|                                    |                                 |                       |  |                                    |                     |
| <b>Total Project<br/>Estimate</b>  | <b>\$61.9 M</b>                 | <b>\$95.7 M</b>       | <b>\$68.4 M</b>                                    | <b>+\$6.5 M</b>                    | <b>+\$27.3 M</b>    |

**Table 3: Detail Comparison of Project Budgets (2022 vs Current 2025)**

| Project Estimate - TP |   |
|-----------------------|---|
| Item                  | Description                                     |
|                       | <b>Pre-implementation Phase</b>                 |
|                       | - Consultancy Fees                              |
|                       | - WBOPDC Managed Costs                          |
|                       | <b>Total Pre-implementation</b>                 |
|                       | <b>Implementation Phase</b>                     |
|                       | - Consultancy Fees                              |
|                       | - WBOPDC Managed Costs                          |
|                       | - Construction Monitoring Fees (MSQA)           |
|                       | <b>Total Implementation Fees</b>                |
|                       | <b>TP WWTP Physical Works</b>                   |
| 1                     | Environmental Compliance                        |
| 2                     | Enabling and Temporary Works                    |
| 3                     | Earthworks                                      |
| 4                     | Ground Improvements                             |
| 5                     | Structures                                      |
| 6                     | Buildings                                       |
| 7                     | Civil Underground                               |
| 8                     | Civil Above ground                              |
| 9                     | Mechanical                                      |
| 10                    | Electrical                                      |
| 11                    | Commissioning                                   |
| 12                    | Preliminary and General                         |
| 13                    | Contractors Design                              |
| 14                    | Offsite Overhead and Profit                     |
| 15                    | Contractors Risk                                |
| 16                    | Unscheduled Works and Provisional Sums          |
|                       | <b>Subtotal TPWWTP Project</b>                  |
| 17                    | <b>Northpower Cable Upgrade and Trasnformer</b> |
| 18                    | <b>Demo Plant and Wetland Conversion</b>        |
|                       | <b>Sub Total Physical works</b>                 |
|                       | <b>Project Expected Estimate</b>                |

80. Alta's review confirms that the apparent increase in costs is largely explained by:

- Escalation between 2022 and 2025 (~\$6.5M, 10.5%).
- Inclusion of Council costs not previously budgeted (~\$[REDACTED] for iwi engagement, demolition, wetland conversion, legal, probity, insurance).
- [REDACTED]
- Provisional sums identified through ECI (~\$[REDACTED]).

81. The earlier \$61.9M figure presented in 2022 was for physical works only and did not reflect Council's total project budget. The LTP 2024/34 figure of \$78M also reflected construction costs only, without full budget scope. The current \$95.7M figure therefore represents a complete and more robust project budget for the project lifecycle, as confirmed by independent advice.

**Affordability and Funding Sources**

82. The project remains within the financial envelope signalled through the LTP 2024/34 when adjusted for scope and escalation. The funding splits approved in principle on 26 June 2025 ensure the project cost is shared fairly between existing ratepayers, developers, and Rangiora Business Park. Debt funding will be used to manage timing, with repayments recovered through financial contributions and the Uniform Targeted Rate as growth occurs.

**EXTERNAL QUALITY ASSURANCE AND TECHNICAL ADVICE RECEIVED**

83. Council has engaged a range of technical experts and independent reviewers over the life of the TPWWTP project to inform planning and provide assurance. An overview is provided below:

**AECOM – Preliminary Process Modelling Report**

84. In 2017 Council engaged AECOM to undertake preliminary process modelling to assess the likely performance of the existing TPWWTP against revised discharge consent limits and projected growth. This work confirmed the plant lacked sufficient capacity to consistently meet nitrogen removal targets under future scenarios.

**Mott MacDonald (MMD) – Alternative Concept Process Design and Detailed Design Report**

85. In December 2022, Mott MacDonald completed a concept level process design report evaluating alternatives for upgrading or replacing the existing plant.
86. The report provides the supporting documentation for the detailed design of the new TPWWTP. It both clarifies the design assumptions (loads and flows) for the new plant.

**Audit New Zealand – Probity Oversight**

87. In January 2025, Audit New Zealand was appointed to provide probity advice on the project. Their interim report raised no concerns and confirmed that Council's procurement and governance approach was consistent with best practice.

**Quantity Surveyor – Independent Cost Reviews**

88. Council engaged Alta Consulting as Quantity Surveyor to prepare detailed cost estimates for both Stage 1 and Stage 2 infrastructure, with Stage 1 costs approximately estimated at \$[REDACTED] for physical works only. For additional assurance, Rider Levett Bucknall (RLB) was later engaged to provide an independent peer review of contractor pricing.



**General**

89. These reviews, along with further independent advice directly related to McConnell Dowell's final tender and the procurement process, are summarised later in this report (see Section below – Proposed Contract Award If Option A1 Confirmed).

**TARGETED ENGAGEMENT – DEVELOPER FEEDBACK**

90. Targeted consultation was undertaken with developers operating in the Te Puke area between 1 July until 17 August 2025. A consultation document was provided that outlined the key decisions made by Council to date and sought feedback on the proposal to consider proceeding with the replacement plant and award the construction contract.
91. An in-person meeting between Council staff and developers was held on 1 July. A range of further information was requested by some attendees, with the following information subsequently being provided:
- Annual Plan 2023–2024 Report
  - Trade Waste Bylaw
  - Multiple Pan Remission Policy
  - Multiple Pan Wastewater Remissions Policy – FINAL
  - Revenue and financing policy
  - LTP Final Doc 2024–25 – Chapter 5 – Overall Revenue and Financing Policy.pdf
  - Financing Strategy LTP Final Doc 2024–25 – Chapter 2 – Financial Strategy.pdf
  - Resolution from Council meeting 26 June, providing detail on funding model
  - Mott MacDonald – Detailed Design Report
  - AECOM – Process Modelling Report
  - Te Puke Process performance report – supported the RC application and provides detail on the current plant capacity.
  - Resource Consent
  - Draft Principals Requirements 3916, currently under discussion with contractor (still to be finalised as part of the contract negotiations)
  - ECI tender documents
  - Te Puke Revised Concept Process design and risk report
92. Council's obligations under the LGA are to provide reasonable access to relevant information.

## Confidential Council Meeting Agenda

4 September 2025

93. In addition to the opportunity to provide written feedback, developers were offered the opportunity to present their views to elected members at the Council meeting on Friday 15 August.
94. In total, five submitters from the Te Puke Developer community provided written feedback and four of these submitters spoke to their submissions at the hearing. All feedback received is included as **Attachment 1** of this paper.
95. Six key themes emerged from the written and oral feedback received. These are summarised below.
96. Council should consider the views and preferences expressed in that feedback as part of its decision-making process, together with Council's knowledge of current views and preferences of other people who may be interested in or affected by the decisions being made.

**Consultation**

97. Three of the parties who provided feedback expressed views relating to the project's consultation process to date, outlining concerns that there are several substantive matters yet to be addressed by Council and questioning whether the current process meets the requirements of the Local Government Act 2002, given the nature and significance of the project.
98. Comments relating to this theme included:
- a. Engagement has been late, narrow and primarily targeted at developers, not the wider community.*
  - b. We have concerns that there are a number of outstanding questions still to be discussed and consulted on with locals, specifically industrial landowners.*
  - c. We request that Council commits to regular engagement with the development community to ensure infrastructure delivery keeps pace with actual growth.*
  - d. Our concern is not opposition to investment in wastewater infrastructure. Rather, it is that the current process does not meet the requirements of the Local Government Act 2002 or accepted planning practice for a project of this significance.*
99. The 'Consideration and Decision- Making to Date' section of this report outlines the decision-making steps Council have taken to date. The previous Annual Plan and Long-Term Plan processes form part of the wider decision-making process, which has narrowed down options to a preferred option being a replacement Plant, which is the subject of the final decision to be made in August 2025.
100. The Annual Plan 2023-24 process included options analysis, as well as discussion on the various options in its consultation document. Further, the identification of the project in the LTP 2024-34 (and the LTP consultation document) meets Council's statutory obligations, which require clear and concise references to the project and

## Confidential Council Meeting Agenda

4 September 2025

the reasons for it in simple terms which the public can understand, not the underlying detail. Council has also met its obligations under the LGA to explicitly provide for the project in the LTP before it can make significant decisions to proceed with the project.

101. Further targeted consultation with the development community has been undertaken as an additional opportunity for feedback (over and above the two public consultation processes), prior to Council's decision whether to proceed with the replacement Plant and award the construction contract. The recommendations of this report seek Council's consideration of the feedback from the development community will be considered as part of Council's final decision-making.

**Funding model**

102. All parties who provided feedback expressed views relating to the proposed funding model, outlining concerns that the model places the cost burden on a particular group and excludes commercial and industrial users who will also benefit from the upgrade.
103. Feedback also raised concerns that Te Puke residents and businesses would bear the cost of the upgrade when similar upgrades in other parts of the district have been funded on a district wide basis.
104. Comments relating to this theme included:
- a. The funding model for the wastewater plant needs to be reviewed to incorporate commercial and industrial users along with referred fast track projects and the planned urban growth areas including the Te Tumu Urban Growth Area.*
  - b. We request for Council to share transparent modelling assumptions and demand forecasts that will inform infrastructure planning and investment decisions.*
  - c. There is an equity risk – as incomplete funding model excluding non-residential beneficiaries.*
105. The 'Funding Approach' section of this report outlines the funding approach and proposed model resolved by Council at the 26 June Meeting.

**Capacity assessment/modelling and timing of Stage 2**

106. Three parties provided feedback relating to the capacity assessment/modelling undertaken citing concerns with the projects ability to provide for future development needs. In addition, one submitter encouraged Council to consider the timing of Stage 2 and potential triggers for delivery.
107. Comments relating to this theme included:
- a. Given current growth trends and recent policy changes around intensification and fast track consents there is a material risk that demand could exceeded the planned Stage 1 capacity well before 2034.*

## Confidential Council Meeting Agenda

4 September 2025

- b. Capacity risk – insufficient modelling to confirm long term growth demand can be met within the stage modular system.*
- c. Stage 2 is currently outside the scope of the LTP, early clarity on its funding pathway, planning assumptions and potential timing would provide more certainty of future growth areas across the wider Te Puke area.*

108. The 'Why is the Project Required – Capacity and Growth' Section of this report covers the capacity drivers and consideration of growth and timing. Growth and development will be monitored by Council and a decision to bring forward Stage 2 sought as necessary.

**Alternative options**

109. Three parties provided feedback relating to the key alternative options for the project i.e. replacement or upgrade. Submissions included requests for information on the costs of the upgrade alternative vs a replacement plant and a re-evaluation of all alternative options originally considered.

110. Comments relating to this theme included:

- a. Financial risk – committing \$97M without verifying that replacement remains more cost-effective than upgrade.*
- b. We have not received an updated cost estimate for the upgrade option since the decision to replace was made in early 2023, when the gap was just \$4M.*
- c. Council needs to revisit alternative technologies and the earlier considered options to provide appropriate comparisons, along with the ideas of a staged or 'clip on' approach to any plant.*

111. Early consideration of upgrading the existing plant or replacing the Wastewater Treatment Plant was undertaken as part of the Annual Plan 2023/24 public consultation process. An early commitment to investigate the feasibility of one of these options was necessary because of the nature and significance of the project. Before a final decision can be made it has been necessary to undertake feasibility and design assessments alongside the other data gathering and validation processes which are outlined in this report. Furthermore, as explained above, it is necessary to explicitly provide for the decision in the LTP before the decision can be made.

112. The necessary work has now occurred to enable Council to undertake final consideration of this matter before proceeding with a construction contract. . It remains possible for Council to elect not to proceed with the replacement plan, after considering the feedback and options, or to direct staff to undertake further work before proceeding. The implications of any delay and the investment undertaken to date will be matters to consider. The advantages and disadvantages of the reasonably practicable options are addressed further in this report, as required under the LGA, including the upgrade option.

## Confidential Council Meeting Agenda

4 September 2025

113. The options analysis section of this report includes an assessment of the upgrade option. See the 'Issue 1 - Option B: Upgrade and Reuse Existing Plant' section. The updated construction estimate, for an upgraded option, from an independent Quantity Surveyor is \$ [REDACTED]. This estimate does not allow for seismic upgrades or ground improvements of the existing reactor-clarifiers. If these works were required, the additional cost is estimated at \$ [REDACTED] (see **Attachment 2** - Alta Memo)

**Cost increases**

114. Three parties provided feedback relating to the projects cost increases over-time. They expressed significant concern that there has been an escalation of costs since 2023 without proper explanation as to why.
115. Comments relating to this theme included:
- a. Request for updated cost estimate for the upgrade option and detailed breakdown of escalation from \$61M to \$97M.*
  - b. We have significant concerns with the project's escalation of costs since 2023. The cost of the plant was originally established at \$45 million. This cost is proposed to be passed on to Te Puke subdividers and developers through the Councils financial contribution model. As active developers, we advise that these costs (including the recent escalation under the long-term plan) are unsustainable.*
  - c. Costs have risen to \$95 million without any proper explanation as to why.*
116. The changes to the budget are outlined through the 'Budget Evolution' section of this report and is in line with what has been signalled through the LTP process.

**Technology**

117. One of the submissions received included feedback relating to technology and requested an explanation of the technology choice and its cost implications.
118. Comments relating to this theme included:
- a. If technology changes are contributing to the blow out, the public deserves to understand why those changes were made, and whether they were essential.*
119. The use of new technology is discussed under the 'Proposed Contract Award (If Option A1 Confirmed)' section of this report. Ultimately, the proposed use of INVENT SBR technology has seen a beneficial impact on the project cost.

**TARGETED ENGAGEMENT – TANGATA WHENUA**

120. Engagement with Tangata Whenua has been undertaken through Te Ohu Parawai throughout the life of the project.

**Te Ohu Parawai**

121. Te Ohu Parawai is a group made up of Tangata Whenua representatives from Te Arawa ki Tai and elected members of Western Bay of Plenty District Council. The group was established under the resource consent granted for the discharge of wastewater from the Te Puke Wastewater Treatment Plant (TPWWTP). Te Ohu Parawai was a response to concerns raised by Tangata Whenua through the consenting process, particularly the discharge of wastewater into the Waiāri.

104. The primary purposes of Te Ohu Parawai are to:

- Monitor the operation of the Te Puke Wastewater Treatment Plant.
- Advise on Mātauranga Māori approaches to matters covered by the consent.
- Consider alternative discharge options from the TPWWTP.

**Membership and Meetings**

122. Te Ohu Parawai is made up of three elected members of Council and representatives of Te Arawa ki Tai, namely the iwi Tapuika, Waitaha, and Ngāti Whakaue, as well as hapū of Tapuika (Ngāti Kuri, Ngāti Marukukere, Ngāti Moko, and Ngāti Tuheke).

123. The frequency of meetings is determined by Te Ohu Parawai members. Since establishment, a number of meetings have been held, many involving only Tangata Whenua members. Tangata Whenua indicated they wanted to strengthen their relationships around their taonga, particularly the Waiāri, before resuming formal meetings with elected members. These relationships are now understood to be in a stronger position, and the group has agreed to wait until after the Local Government elections in October 2025 to invite elected members back to the table.

**Te Puke Wastewater Treatment Plant and Alternative Discharge Options**

124. Alongside the focus on relationships, Tangata Whenua have engaged with Council on the work to upgrade the TPWWTP and the decision to progress with a replacement plant. Discussions included the technology proposed, the number of properties to be serviced, and the decommissioning of the wetland. A key priority for Tangata Whenua remains continued discussion of alternative discharge options, with discharge to freshwater being their least preferred outcome. Tangata Whenua appointed two members to the group established to investigate alternatives and are keen for this work to recommence.

125. Engagement continues through Te Ohu Parawai o te Waiāri, representing iwi and hapū including Tapuika, Ngāti Whakaue, Waitaha, and Ngāti Pikiao. Council has acknowledged iwi and hapu concerns that the consented discharge into the Waiāri is culturally offensive. In response:

- a. Council's discharge consent requires the existing wetlands be disconnected from the treatment process and a rock filter being installed. A provisional sum has been included in the contract for the rock filter and discharge manifold.

## Confidential Council Meeting Agenda

4 September 2025

- b. Funding was provided to Te Ohu Parawai to appoint a technical advisor.
- c. Details of the rock structure and final outlet design are still being worked through in collaboration with iwi.
- d. The Mayor and Council staff met with Tapuika on 21 July 2025 and agreed to review the previous consenting process to improve future engagement.
- e. Council is required, under its discharge consent, to consider suitable long-term alternative disposal methods for the Te Puke WWTP. A process similar to that used by Te Ohu Waiora has been proposed to collaboratively explore alternative discharge options. This work will be ongoing, and the decision by Council to progress with an upgrade or a new WWTP will not preclude the outcomes of this investigation.

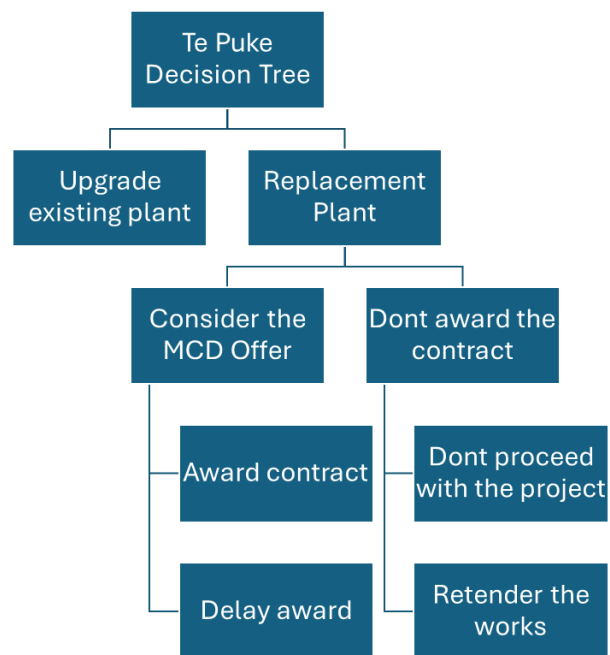
**INTRODUCTION TO OPTIONS AND DECISION TREE**

126. Council is required to make a series of related decisions on the future of wastewater treatment in Te Puke. These decisions can be grouped into three issues, as illustrated in the decision tree below.

- **Issue 1 – Project Approach:** Whether to proceed with a replacement wastewater treatment plant or to upgrade and reuse the existing plant. A third option is to keep the status quo (i.e. no upgrade). However, that option would not meet Council's objectives of addressing environmental and capacity issues with the existing plant, and has therefore not been considered further.
- **Issue 2 – Next Steps if Replacement Plant Confirmed:** If Council selects a replacement plant, whether to award the Design and Build contract, delay the decision to allow for further consultation and or review, or not award the contract.
- **Issue 3 – Sub-options if Council Chooses Not to Award:** if Council decides not to award the contract, whether to re-tender the works or to review the scope (e.g. capacity, staging, technology) of the works required.

127. The following sections set out the assessment of each option, along with advantages, disadvantages, risks, and independent advice.

128. This structured approach ensures that Council can consider each decision point in turn, with a clear understanding of the implications of each decision.



**Figure 1: Te Puke WWTP Decision Tree**



**ISSUE 1: OPTIONS ASSESSMENT – PROJECT APPROACH****Issue 1 – Option A (Recommended): Replacement Plant**

129. Proceed with constructing a replacement wastewater treatment plant on the existing site. The current design incorporates the INVENT SBR technology, supported by international operational evidence and independent peer reviews.
130. The replacement plant has a construction tender estimate of approximately \$ [REDACTED] (excl. GST), with a recommended Council [REDACTED]. Independent reviews confirm this represents a fair market price.
131. This option carries significantly less long-term risk to Council and is expected to be cheaper to operate than refurbishment of the existing plant.

| <b>Issue 1 – Option A (Recommended)</b><br><b><i>THAT Council confirms proceeding with the replacement Te Puke Wastewater Treatment Plant as the preferred option</i></b> |   |
|---|---|
| <b>Advantage</b>  | <ol style="list-style-type: none"> <li>1. Ensures compliance with the 2019 discharge consent and provides capacity for Te Puke township and Rangiuru Business Park Stage 1.</li> <li>2. Provides a modern facility with improved operational efficiency, resilience, and flexibility for future expansion.</li> <li>3. Lower long-term risk compared with refurbishing the existing 1987 plant.</li> <li>4. Enables Council to enter into contract in the short term, preventing further delay.</li> <li>5. Transfers key known design and construction risks (price, quality, programme) to the contractor. Ensures compliance with the 2019 discharge consent and provides capacity for Te Puke township and Rangiuru Business Park Stage 1.</li> </ol> |
| <b>Disadvantage</b>   | <ol style="list-style-type: none"> <li>1. High upfront capital investment required.</li> <li>2. Does not respond to submitters who requested review of alternative options or delay.</li> <li>3. There is a potential risk of judicial review from the developer community as discussed elsewhere (the prospect of a legal challenge if the decision to proceed is not paused has been raised by one developer).</li> </ol>   |

## Confidential Council Meeting Agenda

4 September 2025

|   |   |
|---|---|
| <b>Risks &amp; Mitigations</b>  | <ol style="list-style-type: none"> <li>1. Contractor has priced key risks (ground conditions, inflation, process performance), transferring most delivery risk to MCD.</li> <li>2. The design and build model allocate risk appropriately to the contractor.</li> <li>3. Council retains a [REDACTED] to cover client-directed changes or unforeseen requirements.</li> <li>4. The Project Governance Group will provide oversight of risks, costs, and contingency drawdowns.</li> </ol> |
| <b>Costs (including present and future costs, direct, indirect and contingent costs).</b> | The replacement plant has a construction tender estimate of approximately \$ [REDACTED]. The operational costs for this option will be less than for other options. The project budget reflects future costs and contingencies. Provision has been made in the LTP to operate this asset.   |

**Issue 1 – Option B: Upgrade and Reuse Existing Plant**

132. Undertake a major refurbishment of the existing 1987 wastewater treatment plant to bring it up to discharge consent requirements. This would extend the life of the current facility while incorporating selective upgrades (mechanical, electrical, and process units).

133. The updated construction estimate from an independent Quantity Surveyor is \$ [REDACTED]. This estimate does not allow for seismic upgrades or ground improvements of the existing reactor-clarifiers. If these works were required, the additional cost is estimated at \$ [REDACTED] (see **Attachment 2** – Alta Memo).

134. While potentially cheaper upfront, this option introduces significant long-term risk and does not provide the same level of certainty as a replacement plant. Independent review by Alta confirms it is a less efficient and higher-risk pathway compared with a new build.

| <b>Issue 1 – Option B</b>  |  |
|--|--|
| <b>THAT Council propose to undertake upgrades to the existing Te Puke Wastewater Treatment Plant</b> |  |
| <b>Advantage</b>   | <ol style="list-style-type: none"> <li>1. Lower initial capital cost compared with constructing a replacement plant.</li> <li>2. Potentially reduced construction footprint and less land disturbance.</li> <li>3. Reuse of some existing assets.</li> </ol> |

## Confidential Council Meeting Agenda

4 September 2025

|   |  |
|---|--|
| <b>Disadvantage</b>   | <ol style="list-style-type: none"> <li>1. Does not fully address resilience issues associated with ageing infrastructure.</li> <li>2. Shorter asset life than a new plant and risk of reused assets failing prematurely that will lead to high operational costs and plant shutdowns.</li> <li>3. Significantly higher operational and maintenance costs due to complexity of operating a hybrid old/new system.</li> <li>4. More difficult to achieve compliance with tighter nutrient standards, leaving less margin for error.</li> <li>5. Abortive work to keep the existing plant operational while new plant is built.</li> <li>6. Limited capacity for future growth, unlikely to cater for both Te Puke township expansion and Rangiora Business Park Stage 1 without further major upgrades.</li> <li>7. Requires extended outages and complex staging during construction, increasing operational risk.</li> <li>8. Abortive costs of works to date</li> <li>9. Complete new reset of project</li> <li>10. Does not necessarily address the concerns raised in developer feedback which generally focussed on process rather than clearly seeking a different substantive decision. Does not fully address resilience issues associated with ageing infrastructure.</li> </ol> |
| <b>Risks &amp; Mitigations</b>  | <ol style="list-style-type: none"> <li>1. High risk of cost overruns due to unknown condition of buried/structural assets and construction methodologies.</li> <li>2. Refurbishment does not address long-term consent horizon; further upgrades or new plant would still be required within the life of the consent.</li> <li>3. Risk of non-compliance during transition period.</li> </ol>  |
| <b>Costs (including present and future costs, direct, indirect and contingent costs).</b> | <p>\$ [REDACTED] There is no allowance for seismic upgrades or ground improvements of the existing reactor-clarifiers. If this was required and implemented, then this has been estimated at an additional \$ [REDACTED]</p>   |

**ISSUE 2: OPTIONS ASSESSMENT – NEXT STEPS IF REPLACEMENT PLANT IS CONFIRMED****Issue 2 – Option A1 (Recommended): Award the contract**

135. This Council awards the NZS3916 Design and Build (D&B) contract for Te Puke Wastewater Treatment Plant upgrade to McConnell Dowell Constructors Ltd (MCD).

136. MCD submitted a final offer on 17 June 2025 of \$ [REDACTED] (excl. GST). Independent cost reviews by Alta Consulting and Rider Levett Bucknall confirmed that the offer is [REDACTED]. This price was reduced to \$ [REDACTED] after negotiations.

137. This option provides delivery certainty through a fixed price, risk transferred D&B contract and ensures that the project remains within the approved Long-Term Plan (LTP) funding envelope.

| Issue 2 – Option A1   |  |
|---|--|
| That Council approves awarding the NZS3916 Design and Build contract for the Te Puke Wastewater Treatment Plant upgrade to McConnell Dowell Constructors Ltd for \$ [REDACTED] excl. GST), inclusive of agreed discount following final negotiations. |  |
| <b>Advantage</b>  | <ol style="list-style-type: none"> <li>1. Provides delivery certainty and enables immediate commencement of construction.</li> <li>2. Ensures compliance with the 2019 discharge consent and alignment with the 2030 compliance dateline.</li> <li>3. Provides capacity for the Te Puke community and Rangiuru Business Park Stage 1.</li> <li>4. Offers a modern facility with improved operational efficiency, resilience, and flexibility for future expansion.</li> <li>5. Lower long-term risk compared with refurbishing the existing 1987 plant.</li> <li>6. Fixes price and transfers key risks (design, construction, and process performance) to the contractor.</li> <li>7. Avoids cost escalation associated with delaying the decision.</li> <li>8. Provides greater certainty of delivery through a fixed-price, risk-transferred D&amp;B contract under NZS3916.</li> <li>9. Independent probity, legal, QS, and technical reviews confirm the contract price is competitive and procurement process robust.</li> </ol> |

## Confidential Council Meeting Agenda

4 September 2025

|   |   |
|---|---|
| <b>Disadvantage</b>   | <ol style="list-style-type: none"> <li>1. High upfront capital investment required.</li> <li>2. Does not respond to submitters requesting that the decision be delayed or alternative discharge options be investigated before awarding the contract.</li> <li>3. Judicial review remains a potential risk from opponents of the project.</li> </ol>  |
| <b>Risks &amp; Mitigations</b>  | <ol style="list-style-type: none"> <li>1. Contractor has priced key risks (ground conditions, construction inflation, process performance) within their offer, transferring most delivery risk to MCD.</li> <li>2. Council to retain a [REDACTED] primarily for client-directed changes or unforeseen refinements.</li> <li>3. Ongoing governance oversight by the Project Governance Group will monitor risks and cost changes.</li> <li>4. Independent probity, legal, and technical reviews reduce exposure to procurement challenge.</li> </ol> |
| <b>Costs (including present and future costs, direct, indirect and contingent costs).</b> | <ol style="list-style-type: none"> <li>1. Contractor offer: \$ [REDACTED] (excl. GST).</li> <li>2. [REDACTED]</li> <li>3. Costs remain within the approved LTP funding envelope.</li> </ol>   |

138. This option provides the strongest delivery certainty, aligns with Council's strategic growth planning, and secures a long-term wastewater solution for Te Puke.

### Issue 2 – Option A2: Delay the decision (6–9 months)

139. Defer awarding the contract for approximately six to nine months to allow further consultation, re-evaluation of procurement, or exploration of alternative funding and delivery approaches (Attachment F).

140. If technical advice only is sought, a project delay of six months may be feasible. If further widespread consultation is undertaken, a nine-month delay is likely before a decision can return to Council. If this option is preferred, staff seek clarification from Council on the key matters to be addressed.

141. While this option provides more time for consideration, it introduces significant risks: cost escalation, risk of non-compliance with discharge consents, and delays to growth-enabling infrastructure.

| <b>Issue 2 – Option A2</b>  |   |
|---|---|
| <b>THAT Council proposes to delay the Te Puke Wastewater Treatment Plant Project for a period of (6–9) months in order for further community consultation, and/or external technical advice to be sought.</b> |   |
| <b>Advantage</b>  | <ol style="list-style-type: none"> <li>1. Responds favourably to feedback seeking this delay.</li> <li>2. Provides additional time for developer engagement and information sharing.</li> <li>3. Allows Council to further test alternative options or scope refinements.</li> <li>4. Could allow for updated market pricing if competitive conditions change.</li> </ol>   |
| <b>Disadvantage</b>   | <ol style="list-style-type: none"> <li>1. If the incumbent ECI contractor pulls out, a retender will delay the project by at least 12 – 18 months. Construction starts delayed, increasing the risk of non-compliance with consent discharge standards.</li> <li>2. If a retender is not required, likely cost escalation due to inflation and supply chain pressures. Independent QS has estimated an additional ~[REDACTED] cost for a six-month delay (see Attachment F).</li> <li>3. Delays delivery of growth-enabling infrastructure needed for Rangiuru Business Park and Te Puke township expansion.</li> </ol> |
| <b>Risks &amp; Mitigations</b>  | <ol style="list-style-type: none"> <li>1. Risk of compliance issues if existing plant fails to meet consent during the delay.</li> <li>2. May undermine contractor commitment and require re-negotiation of terms.</li> <li>3. Increased holding costs and additional staff/project management costs.</li> </ol>  |
| <b>Costs (including present and future costs, direct, indirect and contingent costs).</b>   | The additional cost to not award the contract and retender at a later date has been conservatively estimated by independent Quantity Surveyor to be \$5M.   |

**Issue 3 – Option A3 Do Not Award The Contract**

137. Council may decide not to award the contract to McConnell Dowell Constructors Ltd.

This would pause the current procurement process and require Council to determine an alternative way forward. Two sub-options exist:

- Option A3(i): Retender the works through an open procurement process.
- Option A3(ii): Do not proceed with the project.

**ISSUE 3: SUB-OPTIONS ASSESSMENT – IF COUNCIL CHOOSES NOT TO AWARD****Issue 3 – Sub-Option A3(i): Retender the Works Through An Open Procurement Process.**

| <b>Issue 3 – Sub-Option A3(i)</b>   |  |
|---|--|
| <b>That Council directs staff to cancel the current procurement and re-tender the works for the Te Puke Wastewater Treatment Plant through an open procurement process.</b> |  |
| <b>Advantage</b>  | <ol style="list-style-type: none"> <li>1. Provides a fresh opportunity for market competition.</li> <li>2. Responds to submitters who have requested Council reconsider procurement.</li> <li>3. May attract alternative proposals or innovation from the market.</li> </ol>   |
| <b>Disadvantage</b>   | <ol style="list-style-type: none"> <li>1. Independent QS advice estimates retendering would add at least \$5M to project costs.</li> <li>2. Would delay the project by 12–18 months, significantly increasing risk of non-compliance with the 2030 discharge consent deadline.</li> <li>3. Loss of sunk costs already invested in the current procurement (~\$[REDACTED] to date).</li> <li>4. Risks undermining market and contractor confidence, potentially leading to higher tender prices.</li> <li>5. Delays critical growth-enabling infrastructure for Te Puke township and Rangiuru Business Park.</li> </ol> |
| <b>Risks &amp; Mitigations</b>  | <ol style="list-style-type: none"> <li>1. Breach of consent standards if project completion slips beyond 2030.</li> <li>2. Interim operational measures could be considered, but at additional cost and with uncertain effectiveness.</li> <li>3. Market confidence damaged, reducing competition.</li> </ol>  |

## Confidential Council Meeting Agenda

4 September 2025

|   |  |
|---|--|
|   | 4. Further escalation of construction costs during delay.  |
| <b>Costs (including present and future costs, direct, indirect and contingent costs).</b> | <ol style="list-style-type: none"> <li>1. Additional [REDACTED] due to delay (QS estimate).</li> <li>2. Inflation/escalation during the 12-18 month delay.</li> <li>3. [REDACTED] sunk costs unrecoverable.</li> </ol> |

**Issue 3 – Sub-Option A3(ii): Maintain status quo. Do Not Proceed with the Project**

| <b>Issue 3 – Sub-Option A3(ii)</b><br><b>That Council decides not to proceed with the Te Puke Wastewater Treatment Plant replacement project and direct staff to ....</b> |  |
|---|--|
| <b>Advantage</b>  | <ol style="list-style-type: none"> <li>1. Responds feedback requesting Council halt the project.</li> <li>2. Avoids committing to significant new capital expenditure at this time.</li> <li>3. Provides flexibility to revisit wastewater treatment solutions in the future.</li> </ol>   |
| <b>Disadvantage</b>   | Delays critical growth-enabling infrastructure for Te Puke township and Rangiuru Business Park.  |
| <b>Risks &amp; Mitigations</b>  | <ol style="list-style-type: none"> <li>1. Leaves existing consent compliance issues unresolved, risking enforcement action by Bay of Plenty Regional Council.</li> <li>2. Removes capacity for growth in Te Puke and Rangiuru Business Park, constraining development and economic opportunities.</li> <li>3. Approximately [REDACTED] of project expenditure to date would be unrecoverable.</li> <li>4. Council would still be required to invest in alternative solutions to meet consent obligations, likely at similar or greater cost.</li> <li>5. Major reputational risk for Council in reversing course after extensive consultation and investment.</li> </ol> |
| <b>Costs (including present and future costs, direct, indirect and contingent costs).</b>   | <ol style="list-style-type: none"> <li>1. Breach of consent standards, with potential fines or legal enforcement.</li> <li>2. Loss of stakeholder trust (developers, iwi, community).</li> <li>3. Council forced into reactive and higher-cost solutions later.</li> </ol>   |



|  |  |
|--|--|
|  | 4. Higher implementation costs at a future date. |
|--|--|

138. Staff do not recommend either sub-option under Issue 3. Retendering the project would add significant additional cost (estimated at least [REDACTED]) and delay delivery by 12–18 months, creating a high risk of non-compliance with the 2030 discharge consent deadline. Rescoping of the project could leave Council exposed to immediate compliance, growth, and reputational risks, with [REDACTED] of sunk costs unrecoverable and alternative solutions still required at considerable expense.

139. Staff maintain that Option A1 – Awarding the contract remains the preferred pathway, as it provides the strongest delivery certainty, best value for money, and ensures compliance within the required timeframe.

### PROPOSED CONTRACT AWARD (IF OPTION A1 CONFIRMED)

140. **Procurement Process:** Council engaged McConnell Dowell Constructors Ltd (MCD) through a competitive Early Contractor Involvement (ECI) process in March 2023. This enabled design development, technology evaluation, and robust pricing validation. Independent probity, legal, technical, and quantity surveying reviews have confirmed that the procurement approach has been fair, transparent, and consistent with industry best practice.

141. **Final Offer and Negotiation:** MCD submitted a final Design and Build offer on 17 June 2025 of \$ [REDACTED] (excl. GST). Following Council direction, negotiations addressed specific pricing elements and explored potential benefits associated with the first implementation of the INVENT SBR technology in New Zealand. This process has resulted in a revised offer of \$ [REDACTED] (excl. GST). [REDACTED]

142. **Risk Allocation and Contingency:** The NZS3916 Design and Build contract model transfers the majority of design and construction risk to the contractor, including ground conditions, construction methodology, and process performance. Council staff recommend maintaining a project [REDACTED] to cover potential client-directed changes and unforeseen requirements during delivery.

143. **Independent Assurance:**

**Alta Consulting:** Provided detailed tender validation confirming that MCD's original pricing was [REDACTED] (**Attachment 3**).

**Rider Levett Bucknall (RLB):** Completed an independent QS cross-check [REDACTED] for a project of this scale and complexity (**Attachment 4**).

**Sharp Tudhope:** Provided independent legal advice supporting the suitability of NZS3916 for this contract.

**Audit NZ:** Oversight of procurement and governance confirmed the process meets Council and legislative requirements.

**GWE Consulting:** Provided independent process and technical peer review of the proposed design and treatment solution.

144. The final negotiated offer [REDACTED]  
Awarding this contract now ensures delivery within the consent timeframe, avoids cost escalation from delay, and secures long-term wastewater capacity for Te Puke and Rangiuru Business Park.

### KEY CONTRACTUAL MATTERS AND RISKS

145. The recommended contracting model is a Design and Build (NZS3916), which transfers design and construction risks to McConnell Dowell (MCD) based on Council's Principal's Requirements. This provides delivery certainty and clear contractor accountability.
146. In their cost proposal, MCD has priced for a range of key risks, including:
- Ground conditions and ground improvement requirements
  - Piling and foundation conditions
  - Weather-related delays
  - Subcontractor and supply chain risks
  - Material escalation and procurement risks
  - Commissioning and performance testing of the INVENT SBR process
  - Compliance with resource consent conditions
147. This risk allocation structure limits Council's exposure to cost escalation and aligns with best practice for large-scale infrastructure projects.
148. While MCD has priced substantial risk under this model, it is recommended that Council retain [REDACTED] on future costs. This provides capacity for client-directed changes or project refinements during delivery. Importantly, the project remains within the approved LTP budget with this contingency.
149. Ongoing oversight of risk management, cost changes, and contingency drawdowns will be provided by the Project Governance Group (PGG) throughout delivery.
150. As this is a fixed-price Design and Build contract, if contractor-priced risks do not materialise, no credit is returned to Council.

### FUNDING/BUDGET IMPLICATIONS

151. The funding model approved in principle during the Council meeting of 26 June proposes that the project be financed through a combination of Council loans,

## Confidential Council Meeting Agenda

4 September 2025

existing user charges, financial contributions from developers, and contributions from Rangiora Business Park beneficiaries. This approach ensures costs are shared fairly among those who benefit from the expanded wastewater treatment capacity.

152. To address the portion of funding attributable to future growth areas not yet zoned, Council will hold currently unrecoverable amounts as internal loans to be repaid when growth occurs. While this strategy minimises immediate rates impacts, it does carry a risk of additional borrowing costs if development does not proceed according to forecasted timelines. Council and the project team will continue to manage costs actively and explore value engineering opportunities to limit financial exposure. It will also enable Council to on-sell future capacity in the WWTP for future developments, such as the proposed Bluehaven development.
153. Council's current LTP budget includes provision for all the costs for the recommended options – see table below.

| <b>Project Estimated Costs</b>   |             |
|--|-------------|
| Costs incurred 2024 FY and Prior   |             |
| Costs incurred 2025 FY   |             |
| <b>Total Overall Costs to Date</b>   |             |
|  |             |
| Main construction D&B contract(revised)  | \$          |
| Allowance for Future Works(rock filter, diffuser, road repairs, demolition of existing plant, upgrade to electrical connection etc.) | \$          |
| Council costs and other professional services etc.   | \$          |
| <b>Total Estimated Future Costs (2026FY and beyond)</b>  | \$          |
| of future costs)   | \$          |
| <b>Total estimated future costs(Incl. of Contingencies)</b>  | \$          |
|  |             |
| <b>Overall Project Estimate</b>  | \$          |
|  |             |
| <b>Total Project Budget</b>  |             |
| Budgeted spend prior 2023/24 Financial Year and prior.   | \$5,043,925 |

## Confidential Council Meeting Agenda

4 September 2025

|  |                     |
|--|---------------------|
| Un-spent budget from 2023/24 Financial Year, Carry Forward in into the 2027FY. | \$16,395,535        |
| LTP 2024-2034 [225632]   | \$74,283,897        |
| <b>Total Overall Project Budget available in LTP</b>                           | <b>\$90,679,432</b> |

**SIGNIFICANCE AND ENGAGEMENT**

154. In accordance with Council's Significance and Engagement Policy, the decision to progress with a new wastewater treatment plant and to award a construction contract is considered to be of **high** significance. The project involves capital expenditure exceeding \$90 million and will directly impact current and future ratepayers, developers, and tangata whenua.
155. Previous decisions relating to this project have been subject to public consultation through the Long-Term Plan 2024/2034 and Annual Plan 2023/24 processes. Targeted consultation has also been undertaken with developers and tangata whenua. This included developer workshops and the opportunity for developers to present feedback directly to elected members at the Council meeting on 15 August 2025, and ongoing engagement with tangata whenua through Te Ohu Parawai o te Waiāri.
156. The process of public consultation and targeted engagement undertaken leading up to the final decision whether to proceed with the replacement plant and construction contract is considered appropriate and proportionate to the nature and scale of the project. Council has ensured opportunities for input from the community and key stakeholders and has a good knowledge about the views and preferences of the community on this issue
157. Additional community communications are to follow as part of a dedicated Communications and Engagement Plan during the construction phase.

**ENGAGEMENT, CONSULTATION AND COMMUNICATION**

158. There is no consultation or engagement required in relation to the contract award recommendations of this report, given it relates to contract negotiation matters.
159. The wider project has been subject to a process of public consultation and targeted engagement, as part of a planning process over several years. As outlined in the 'CONSIDERATION AND DECISION-MAKING TO DATE' section, the project has been subject to Long-Term Plan and Annual Plan consultation requirements. It has featured in the consultation documents for the Long-Term Plan 2021-31, Annual Plan 2023-24, and Long-Term Plan 2024-34. Through those processes, feedback was sought, received and considered on the project as part of Council's overall planning and budgeting approach.

## Confidential Council Meeting Agenda

4 September 2025

160. Council's Long-Term Plan and Consultation Document are subject to an audit to ensure we are meeting the requirements of the Local Government Act with regards to the Long-Term Plan provisions.
161. As discussed in the 'TARGETED ENGAGEMENT - DEVELOPER FEEDBACK' section, targeted engagement on the project has been undertaken with the developer community in Te Puke. This recognises the implications for that group and the level of interest they would have in the project. An extended engagement period (more than 6 weeks) was provided in response to requests for further time, and an opportunity provided to present directly to elected members last month.
162. A dedicated Communications and Engagement Plan has been prepared to support this project if the contract is awarded. This includes engagement with affected residents near the construction site, local iwi and hapū, internal Council teams, and external stakeholders such as developers, businesses, and community organisations.

| Interested/<br>Affected Parties | Completed/Planned<br>Engagement/Consultation/Communication<br>Report Engagement Plan Attach  |         |                                    |
|---------------------------------|--|---------|------------------------------------|
| Developer                       | Developers engaged through LTP 2024–2034 and Annual Plan 2023/24 processes. Consultation held at Council on 26 June 2025 to discuss project staging and infrastructure contributions. An opportunity to speak to Council was held on 15 August 2025 to hear feedback. There has been a 7-week consultation period. | Planned | Not Completed                      |
| Tangata Whenua                  | Engagement is ongoing through Te Ohu Parawai o te Waiāri, representing iwi and hapū including Tapuika, Ngāti Whakaue, Waitaha, and Ngāti Pikiao. Council has acknowledged iwi concerns that the consented discharge into the Waiāri River is culturally offensive.   | Planned | On Going Throughout<br>the Project |
| General Public                  | Engagement with the wider community has been undertaken through Council LTP and Annual Plan processes.<br><br>A comprehensive Communications and Engagement Plan has been developed to keep the Te Puke community informed throughout the project if the contract is awarded. Key activities proposed include:     | Planned | Completed                          |

## Confidential Council Meeting Agenda

4 September 2025

|  |  |  |  |
|--|--|--|--|
|  | <ul style="list-style-type: none"> <li>• Letter drops and signage to approximately 100 neighbouring properties potentially affected by construction noise, dust, or traffic.</li> <li>• Coordination with the Te Ara Kahikatea Trail Society to address impacts on trail users.</li> <li>• Engagement with Council's Animal Services team regarding Te Puke dog pound operations.</li> <li>• A project webpage and "Your Place" portal with FAQs, timelines, and contact info.</li> <li>• Regular updates via Antenno, Council social media, newsletters, and media at key milestones.</li> <li>• Community drop-in info sessions before and during major works.</li> <li>• Internal coordination with Roding, Reserves, Utilities, and Strategic Kaupapa Māori teams to ensure integrated messaging and timely updates to Elected Members.</li> </ul> <p>This approach prioritises transparency, reduces disruption, and provides proactive channels for public feedback.</p> |  |  |
|--|--|--|--|

## STATUTORY COMPLIANCE

163. The recommendations in this report meet all relevant statutory and regulatory requirements, including: -

- The Local Government Act 2002, particularly relating to consultation, procurement, and financial prudence.
- Compliance with the Bay of Plenty Regional Council resource consent conditions (RM16-0204).
- Consistency with Council's Long-Term Plan 2024-2034, Annual Plan 2023/2024, and the Infrastructure Strategy.
- Alignment with regional planning frameworks, including support for future growth identified in the Smart Growth Strategy.

## ATTACHMENTS

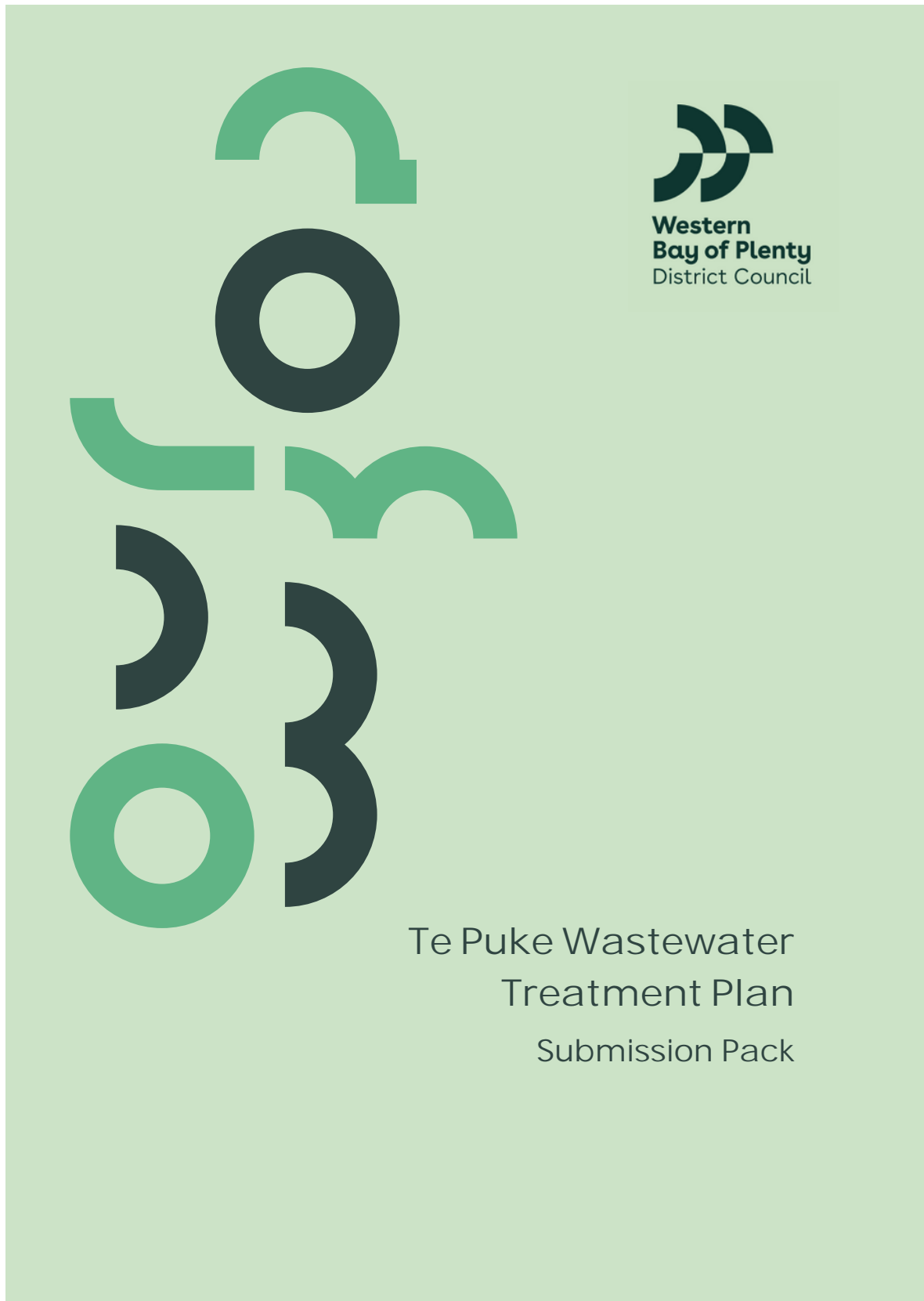
1. **Attachment 1 – TPWWTP – Consultation Submission Pack** 
2. **Attachment 2 – TPWWTP – Alta reuse existing plant memo** 

---

Confidential Council Meeting Agenda4 September 2025

---

3. **Attachment 3 - TPWWTP - Alta QS Review**  
4. **Attachment 4 - TPWWTP - RLB Independent QS Review**  
5. **Attachment 5 - TPWWTP - Alta Budget Change Analysis**  
6. **Attachment 6 - TPWWTP - Alta Cost for Delay**  
7. **Attachment 7 - TPWWTP - Average Dry Water Flow Scenarios**  





## Confidential Council Meeting Agenda

4 September 2025

| Contents  |              |      |
|---|--------------|------|
| Name  | Submitter ID | Page |
| Warren Dohnt, Jellicoe Street Industrial Park Ltd | 1            | 3    |
| Mike Bryant, Macloughlin Drive Limited            | 2            | 4    |
| Dwayne Roper, Bell Road Limited Partnership       | 3            | 6    |
| Rik Flowerday, North 12                           | 4            | 9    |
| Scott Adams, Urban Task Force                     | 5            | 19   |

---

Confidential Council Meeting Agenda4 September 2025

---

**SUB 1**

Submission

Te Puke Wastewater Treatment Plant

WBOPDC - EJ Wensell

We have recently been made aware the Te Puke Wastewater Treatment Plant project consultation is due to close, today. This only came to our attention in the last few days. We note recently the Te Puke Wastewater Treatment Plant Upgrades was raised at a 1 July 2025 WBOPDC meeting held in Te Puke and that it was under consideration, but no further information came to light and no further engagement was had. As significant Industrial Zoned landowners we would have expected to have been consulted.

In recent years the Omokoroa Wastewater System was established. These costs associated with the system, as we understand it, are charged across the District, including Te Puke Industrial land as our ratings increased significantly. I understand the intention is to only apply targeted rating to cover the costs of the new/upgraded system in Te Puke to Te Puke residents and businesses.

1. Why is the rest of the district excluded?
2. What is the balance between residential and industrial land rating charges?
3. What capital is being put in from WBOPDC?
4. What are the comparisons to the Omokoroa sewer system costs compared to proposed Te Puke upgrades?
5. The Omokoroa system costs increased by circa 30% over the life of the project, how is this project management going to differ?
6. Where will project overruns be funded from?
7. Who will fund the debt on the Council loan?
8. Were the Omokoroa Wastewater upgrades costs/expenses applied to Te Puke Industrial rates?

We have concerns that there are a number of outstanding questions still to be discussed and consulted on with locals, specifically industrial land owners. Now that we are aware the project is proceeding, by all accounts, without adequate consultation then we request it be delayed until we can have our questions answered. I feel had we been consulted on earlier a number of our questions could have been answered.

Warren Dohnt

**Managing Director****Jellicoe Street Industrial Park Ltd**

27 July 2025

## Confidential Council Meeting Agenda

4 September 2025

## SUB 2

28 July 2025

Western Bay of Plenty District Council  
Private Bag 12803  
Tauranga 3143

Attention: EJ Wentzel

Dear EJ,

**Te Puke Wastewater Treatment Plant from Macloughlin Drive Limited**

We provide this feedback as an active developer within Te Puke in relation to the proposed upgrade to the Te Puke Wastewater Treatment Plant.

Our company, Macloughlin Drive Limited is currently in the process of developing a mixed density residential development at No. 3 Road and Macloughlin Drive, Te Puke. Our project will deliver approximately 260 residential sites with associated infrastructure including roading, reserve, stormwater and open spaces.

We understand that the Councils preferred solution for a new wastewater treatment plant will cost in the order of \$95 million.

Having reviewed the background documents in relation to the proposal, we have significant concerns with the project's escalation of costs since 2023. The cost of the plant was originally established at \$45 million. This cost is proposed to be passed on to Te Puke subdividers and developers through the Councils financial contribution model. As active developers, we advise that these costs (including the recent escalation under the long-term plan) are unsustainable. The Council has a history of "growth pays for growth" however the quantum of cost increases associated with wastewater infrastructure are such that the growth of Te Puke will stall.

We request that the Council undertakes a re-evaluation of all alternative options originally considered.

We note also that the work completed by the Council has not incorporated Te Pukes existing commercial, and industrial areas nor other users of the plant such as fast track consent sites which would further spread the cost burden of a new plant and reduce the per lot cost to developers.

A further staged approach to any upgrade or plant replacement also needs to be investigated.

We request the opportunity to address the Council in relation to our concerns.

Yours faithfully,



**Mike Bryant**  
Director

## Confidential Council Meeting Agenda

4 September 2025

SUB 2 Council notes from 15 August 2025 Presentation

**MINUTES OF WESTERN BAY OF PLENTY DISTRICT COUNCIL  
COUNCIL MEETING NO. CL25-11  
HELD IN THE COUNCIL CHAMBERS, 1484 CAMERON ROAD, TAURANGA  
ON FRIDAY, 15 AUGUST 2025 AT 9.30AM**

**10.1 TE PUKE WASTEWATER TREATMENT PLANT - SUBMITTER  
PRESENTATIONS**

**Submission 2 – MacLoughlin Drive Limited**

Michael Bryant and Tristan Shannon were in attendance to speak on behalf of the MacLoughlin Drive Limited submission. They added the following points:

- They agreed with the points made in the previous submission, noting that they were hoping to have more information.
- There was risk in stalling growth in Te Puke by driving up costs that sat similar to Tauranga City, noting that Te Puke did not have the same draw cards for families as Pāpāmoa did.

**Mr Bryant and Mr Shannon responded to pātai as follows:**

- They would agree with the six month “pause” noting that they just wanted to understand the costs, so that they could be transparent to people buying the homes.
- They were concerned that if they did not know the numbers, then they did not know how much the sections would sell for, and whether they were competitive with other areas.
- At the moment, people were unable to fund the houses upfront, meaning that the developers were starting to fund the building, and have it all finished (including Code of Compliance) before they saw any return. This was called a “turnkey” process.
- They were not aware of what the percentage of the total project cost was allocated to Rangiora Business Park, however other submitters were.
- Their development had been consented for 120 lots, however, the land was rezoned to medium density, so the development had to be altered accordingly.
- They understood the risk that further delays in the project could mean that there were further price increases.

## Confidential Council Meeting Agenda

4 September 2025

**SUB 3**

Bell Road Limited Partnership

PO Box 2585

TAURANGA

email [REDACTED]

14 August 2025

The Chief Executive Officer

Western Bay of Plenty District Council

Private Bag 12803, Tauranga Mail Centre

Tauranga 3143

Attention: EJ Wentzel

Dear Sir,

**Submission by Bell Road Limited Partnership on the Te Puke Wastewater Treatment Plant (TPWWTP) Upgrade**

We appreciate the opportunity to provide feedback on the proposed upgrade to the Te Puke Wastewater Treatment Plant (TPWWTP). We acknowledge the considerable effort and investment being undertaken to replace the existing facility and the need to provide a wastewater plant to support the long-term growth for the Te Puke area.

As a private developer with active and planned interests in the region, Bell Road Limited Partnership's submission is that the Council should futureproof the plant. We have provided comment below in relation to the future capacity, planning, implementation and timing, to ensure that there is alignment between growth and infrastructure delivery.

**Stage 1 Capacity**

While the documentation confirms that the Stage 1 design allows for 13,285 PE (plus Rangiora Stages 1 & 2), this figure effectively matches the forecasted residential population by 2034 and does not appear to provide any capacity redundancy for accelerated growth, further urban zones, or developments including Bell Road Limited Partnerships referred Fast-track project at Bell Road.

Given current growth trends and recent policy changes around intensification and fast-track consents, there is a material risk that demand could exceed the planned Stage 1 capacity well before 2034.

**No Confirmed Funding or Timing for Stage 2**

We support the intention to deliver certain Stage 2 enabling infrastructure as part of Stage 1. This is a pragmatic approach that avoids costly retrofits and minimises long-term disruption. We also encourage Council to consider the Stage 2 timing and potential triggers for delivery. While we understand that

---

Confidential Council Meeting Agenda4 September 2025

---

**SUB 3**

Stage 2 is currently outside the scope of the LTP, early clarity on its funding pathway, planning assumptions, and potential timing would provide more certainty for future growth areas across the wider Te Puke area.

**Lack of Certainty Around Future Discharge and Treatment Options**

We acknowledge the intent to retain flexibility regarding long-term discharge options, as required under the resource consent conditions. However, this introduces uncertainty about how connections to future growth cells can be serviced in terms of capacity and compliance.

We urge Council to consider options that will prevent Stage 1 infrastructure become a limiting factor or require significant reconfiguration if future discharge locations or technologies are implemented.

**Request for Transparency and Partnership in Future Infrastructure Planning**

We ask that the Council considers:

- Clearly defined triggers and timelines for progressing Stage 2 capacity upgrades.
- The provision of transparent modelling assumptions and future demand forecasts that will inform the timing of Stage 2.
- A staged FINCO framework that accommodates developers with interests in future growth areas.
- Commitment to regularly engage with the development community to ensure infrastructure provision keeps pace with growth realities.

**Funding & Staging**

The current staging and funding arrangement places the cost burden largely on the Te Puke Urban Area which is to be covered through financial contributions. Council needs to consider how developments such as the referred Fast Track project at Bell Road can support the funding model, what alternative funding sources are available and how the project can be more sustainably delivered in an efficient manner. Options such as a more staged approach and the ability to add on more future capacity over time need to be considered to avoid any future inefficient and unnecessary replication of infrastructure.

**Outcome**

The decision sought by Bell Road Limited Partnership is that the Western Bay of Plenty District Council carefully considers the matters outlined above during its deliberations and makes appropriate amendments to the Te Puke Wastewater Treatment Plant project to address the matters raised.

Specifically, Bell Road Limited Partnership requests that Council:

- Confirms that Stage 1 provides sufficient capacity to accommodate additional growth above that currently forecast, including the Bell Road Fast-track development.
- Establishes clear triggers, funding pathways, and indicative timelines for the delivery of Stage 2.
- Shares transparent modelling assumptions and demand forecasts that will inform infrastructure planning and investment decisions.
- Commits to regular engagement with the development community to ensure infrastructure delivery keeps pace with actual growth.

## Confidential Council Meeting Agenda

4 September 2025

**SUB 3**

- Considers a scalable and staged approach to capacity upgrades, supported by a more equitable funding model that reflects growth beyond the Te Puke urban area.

We thank the Council for the opportunity to provide this feedback and would be happy to meet with Council staff to further discuss the matters raised above.

Yours faithfully



Dwayne Roper

DIRECTOR

14 August 2025

---

**SUB 4**

---

## **Submission to Western Bay of Plenty District Council**

### **Te Puke Wastewater Treatment Plant – Request for Further Information, Consultation, and Decision Deferral**

**Prepared by:** Rik Flowerday, on behalf of North 12, Te Puke development interests and concerned ratepayers

**Date:** 16 August 2025

---

#### **1. Introduction**

This submission is provided on behalf of local developers and landowners directly affected by the proposed replacement Te Puke Wastewater Treatment Plant (WWTP).

The project represents the largest single infrastructure investment in Western Bay of Plenty District Council's history. Given its scale, cost allocation, and implications for growth management, the planning, consultation and decision-making process must be of the highest standard.

Our concern is not opposition to investment in wastewater infrastructure. Rather, it is that the current process does not meet the requirements of the Local Government Act 2002 (LGA) or accepted planning practice for a project of this significance.

---

#### **2. Planning context**

- The current Te Puke WWTP was commissioned in 1987. Council's own asset management information records an expected structural life of 80 years, meaning the plant is only halfway through its lifespan.
- In 2019, resource consent RM16-0204 was granted to discharge treated wastewater to the Waiari Stream. Discharge standards originally required compliance upgrades by 2025. These have since been extended to 2030 following a Section 127 variation.
- Council's AECOM 2015 Alternative Disposal Options Assessment identified a staged, consultative approach for considering land-based disposal alternatives over a 10–15 year period. This work has not been completed.
- In the 2023 Annual Plan, the cost comparison between a new plant (\$56M) and an upgrade (\$52M) showed only a marginal difference. That comparison informed the decision to proceed with a new plant.



---

Confidential Council Meeting Agenda4 September 2025

---

**SUB 4**

Since then, the estimated cost of a new plant has increased to \$97M. No equivalent updated cost for an upgrade has been disclosed.

---

**3. Issues with the current process****3.1 Consultation**

- Engagement has been late, narrow, and primarily targeted at developers, not the wider community.
- Council's own Significance and Engagement Policy requires broad consultation for projects exceeding \$8M. At \$97M, this project clearly qualifies for the highest engagement standard.
- By comparison, the Katikati WWTP project has been subject to early and broad-based consultation.

**3.2 Information gaps**

- Upgrade option: No updated costings have been provided since 2023. Without this, the relative value of new versus upgrade cannot be re-assessed.
- Cost escalation: The increase from ~\$61M to ~\$97M has not been explained in an itemised way. Factors such as seismic strengthening, ground conditions, technology changes and inflation should be separately identified.
- Capacity modelling: A whole-of-catchment capacity assessment has not been made available. This is required to demonstrate that the staged modular plant will meet foreseeable growth demand, including Bell Road/Bluehaven, industrial areas, and already consented developments.
- Technology risk: Council has acknowledged the proposed modular technology has not previously been used in New Zealand. The extent to which this affects cost, operation, and risk profile has not been disclosed.

**3.3 Funding model**

- Current beneficiary classifications appear to exclude significant non-residential users such as schools, aged care, pack-houses and commercial operators.
- The assumption that non-residential flows represent only 7% of demand has not been independently verified.
- Growth allocations do not reflect likely future connections, creating risk of unfunded demand and inequitable cross-subsidisation.

**3.4 Changed conditions since decision**

- The key driver of urgency (2025 consent compliance) no longer applies, following extension to 2030.
- Original planning documents envisaged a staged investigation of land-based disposal alternatives. This process has not been completed.
- The modular technology now proposed differs from earlier assumptions. Its contribution to cost escalation remains unclear.

---

Confidential Council Meeting Agenda4 September 2025

---

---

SUB 4**4. Implications for Council decision-making**

Under the LGA (sections 76–82), Council must ensure that significant decisions are made with:

- Sufficient information to identify and assess all reasonably practicable options;
- Adequate provision for informed public participation.

The current process falls short of these statutory requirements. Proceeding to a decision now carries the following risks:

- Financial risk – committing \$97M without verifying that replacement remains more cost-effective than upgrade.
  - Capacity risk – insufficient modelling to confirm long-term growth demand can be met within the staged modular system.
  - Equity risk – an incomplete funding model excluding non-residential beneficiaries.
  - Governance risk – exposure to challenge for inadequate consultation and failure to provide for “informed participation.”
- 

**5. Request**

On behalf of the development community and affected landowners, we respectfully request that Council staff recommend:

1. Deferral of the decision for six months to enable further information and consultation.
  2. Release of non-commercially sensitive project information, specifically:
    - Updated cost estimate for the upgrade option;
    - Detailed breakdown of escalation from ~\$61M to \$97M;
    - Catchment-wide capacity modelling (residential, industrial, and future growth areas);
    - Explanation of the technology choice and its cost implications.
  3. Independent expert review of project costings, funding model and capacity assumptions.
  4. Preparation of a full public engagement plan, consistent with the Significance and Engagement Policy and aligned with best practice as demonstrated in the Katikati WWTP process.
- 

**6. Conclusion**

This project is an intergenerational asset. At \$97M, its scale and impact require a standard of process and transparency equal to its significance.

**Confidential Council Meeting Agenda****4 September 2025**

---

**SUB 4**

A short pause now will:

- Provide the necessary data for a sound decision;
- Ensure consultation meets statutory requirements;
- Reduce risks of financial, technical and governance error.

The Te Puke community is not seeking to halt progress. We are seeking to ensure that progress is competently planned, transparently communicated, and aligned with best-practice infrastructure planning principles.

**Regards**

*Rik Flowerday*

## Confidential Council Meeting Agenda

4 September 2025

SUB 4 Council notes from 15 August 2025 Presentation

**MINUTES OF WESTERN BAY OF PLENTY DISTRICT COUNCIL  
COUNCIL MEETING NO. CL25-11  
HELD IN THE COUNCIL CHAMBERS, 1484 CAMERON ROAD, TAURANGA  
ON FRIDAY, 15 AUGUST 2025 AT 9.30AM**

**10.1 TE PUKE WASTEWATER TREATMENT PLANT – SUBMITTER  
PRESENTATIONS**

**Submission 1 – North 12**

John Dillon and Rik Flowerday were in attendance to speak on behalf of North 12. Rik Flowerday spoke to Tabled Item 1 being their submission.

Mr Flowerday and Mr Dillon responded to pātai as follows:

- During the consultation meeting on 2 July 2025, there were questions that were asked that they did not feel were able to be answered.
- Their perception was that the rationale for this upgrade was due to providing capacity for the Rangiuru Business Park (RBP). For this reason, they felt that RBP should be taking more of a financial share in the required cost.
- They recalled only having taken part in one meeting with council in relation to this, being the consultation meeting held 2 July 2025.
- At the consultation meeting they had requested further information, which they did not feel had been adequately provided.
- The six month “pause” that was being requested, was to allow all the information being sought, to be provided. This included what the current capacity was, what the capacity of the new plant would be and how many connections that would allow for, and whether there was capacity for future growth.
- They were engaged with through the Te Puke Spatial Plan project.
- Based on the information provided to them through the consultation, they did not believe that there was ability for anyone outside of what had already been consented residential development to connect, as there would not be capacity.

## Confidential Council Meeting Agenda

4 September 2025

**SUB 4 Verbal Submission - tabled item 1****Te Puke Wastewater Treatment Plant – Council Hearing Speech (10 minutes)****1. Introduction**

Tēnā koutou katoa. My name is Rik Flowerday, and I thank you for the opportunity to speak today.

I am here on behalf of both local developers and the wider Te Puke community who will be directly impacted — financially, environmentally, and in terms of future growth — by the proposed new \$97 million wastewater treatment plant.

Our goal is simple but vital: to ensure that Council makes a competent, well-informed decision — one that is supported by complete and accurate information, one that is understood by the community, and one that truly delivers the best long-term outcome for ratepayers. This isn't about stopping progress — it's about making sure that progress is based on the right facts and the right process.

**2. Why this project matters**

This is the largest single infrastructure spend in Western Bay of Plenty's history — an intergenerational asset that will shape Te Puke's capacity, growth, and environmental footprint for decades.

Ratepayers are on track to fund over 40% of the cost, with developers and growth areas covering the rest. That equates to around \$10,000 per existing household, to replace a plant that Council's own documents say is only halfway through its expected 80-year life.

Given the size of the investment and its impact on household budgets, this decision demands a gold-standard process — full transparency, robust options analysis, and genuine engagement — not the compressed, partial process we've seen to date.

**3. The core problems with the current process****a) Inadequate consultation**

- Engagement has been extremely late and narrowly targeted, largely at developers after the preferred pathway had effectively been decided.
- Under Council's own Significance and Engagement Policy, a \$97M project should trigger the *widest* form of engagement. That has not occurred.
- In contrast, the Katikati plant process has a robust engagement plan — with early, broad, and repeated touchpoints with the community. Te Puke deserves the same.

**b) Information gaps**

- We have not received an updated cost estimate for the *upgrade* option since the decision to replace was made in early 2023, when the gap was just \$4M (\$52M vs \$56M).
- That cost gap is now closer to \$40M, yet there is no evidence the upgrade option has been re-examined in light of the blow-out.

## Confidential Council Meeting Agenda

4 September 2025

## SUB 4 Verbal Submission - tabled item 1

- No clear breakdown of the \$97M figure has been shared. “Costs have gone up” is not a \$36M explanation — especially when that increase has happened in under 24 months.
- Capacity modelling for the entire growth catchment — Bell Road, industrial zones, and consented developments — has not been provided.
- At developer meetings, Council staff have openly acknowledged they do not have a shared, documented understanding of current demand, forecast growth demand, or the plant’s true future capacity.

## c) Questionable funding model

- The funding split is based only on residential users. Significant non-residential demand — schools, aged care, pack-houses, commercial premises — are excluded from beneficiary classes, shifting millions in cost share onto residential ratepayers.
- Growth categories ignore obvious, likely future connections, meaning these developments could arrive without either capacity or a fair mechanism to fund their share.
- This is not just a financial risk — it’s a fairness and credibility issue.

## d) Changed drivers and conditions

- The original urgency argument included meeting 2025 consent discharge standards. Those standards were extended to 2030 even tho a consent variation was granted **before** the brief consultation period — but this was never disclosed in the consultation material.
- The chosen modular technology has changed from earlier assumptions, yet we have not been told how much of the cost escalation is attributable to that change.
- If technology changes are contributing to the blow-out, the public deserves to understand why those changes were made, and whether they were essential.

## 4. Why this matters for decision-making

Councillors, the Local Government Act doesn’t just require you to consult — it requires that you give the public **adequate provision for informed participation**.

“Informed” means:

- Providing the current cost and scope of the upgrade alternative;
- Sharing a transparent, itemised breakdown of the cost increase;
- Presenting robust, whole-of-catchment capacity modelling; and
- Explaining a funding model that is accurate, equitable, and includes all major user groups.

Without this, the community’s feedback is not meaningful — it’s feedback on half a picture.

When consultation lacks this level of disclosure, the risk is not just public dissatisfaction. There is:

- Financial risk — locking in an undersized, overpriced asset;
- Technical risk — making capacity decisions without full growth data;

---

Confidential Council Meeting Agenda4 September 2025

---

## SUB 4 Verbal Submission - tabled item 1

- Political risk — loss of public trust and potential legal challenge under the LGA's "informed participation" standard.

---

5. The practical request

We are **not** asking Council to abandon the project. We are asking for a short, reasonable pause — six months — to:

1. Release the full, non-commercially-sensitive information underpinning the choice between upgrade and replacement;
2. Engage in genuine, broad community consultation — early, accessible, and inclusive;
3. Allow time for independent expert review of the options and capacity modelling.

This is the same standard of engagement and transparency you are giving to Katikati ratepayers. Te Puke deserves no less.

---

6. Closing

A six-month pause is a fraction of the 80-year lifespan you are planning for, and far cheaper than locking in a \$97M asset that may be undersized, overpriced, or based on flawed assumptions.

Councillors — this is about getting it right.

For ratepayers.

For future growth.

For the integrity of Council's own decision-making.

We have one chance to make this decision competently, transparently, and in a way that stands up to scrutiny in 5, 10, or 20 years' time.

Let's take that chance.

Ngā mihi nui.

---

## Confidential Council Meeting Agenda

4 September 2025

## SUB 4 Verbal Submission - tabled item 1

## Handout for Councillors

## Te Puke Wastewater Treatment Plant – Key Points &amp; Request

## Project:

- Proposed \$97M replacement WWTP for Te Puke — largest single infrastructure spend in WBOPDC history.
- Ratepayers to fund >40% (~\$10k per existing household).

## Key Concerns:

1. **Inadequate consultation**
  - Extremely late, narrow engagement; not in line with Significance & Engagement Policy.
  - Katikati plant process shows a better model for community engagement.
2. **Information gaps**
  - No updated cost for *upgrade* option since early 2023 decision (\$52M vs \$56M then; ~\$40M gap now).
  - No breakdown of \$97M cost — \$36M increase unexplained.
  - No full-catchment capacity modelling, including for Bell Rd, industrial growth.
3. **Questionable funding model**
  - Non-residential users excluded from beneficiary classes, shifting millions onto residents.
  - Ignores likely future connections, risking unfunded demand.
4. **Changed drivers**
  - 2025 consent compliance driver now extended to 2030 (pre-consultation) but undisclosed.
  - Modular technology has changed — cost impact unknown.

## Why it matters:

- LGA requires **adequate provision for informed participation**.
- Without full facts, public feedback is incomplete.
- Risks: financial, technical, political, and legal.

## Our Request:

- Pause final decision for **6 months**.



---

Confidential Council Meeting Agenda4 September 2025

---

**SUB 4 Verbal Submission - tabled item 1**

- Release full, non-sensitive project data.
- Undertake genuine, broad community consultation.
- Allow independent review of options and capacity.

**Outcome:**

Better information → better consultation → better decision for an intergenerational asset.

---

## Confidential Council Meeting Agenda

4 September 2025

SUB 5 Council notes from 15 August 2025 Presentation

**MINUTES OF WESTERN BAY OF PLENTY DISTRICT COUNCIL  
COUNCIL MEETING NO. CL25-11  
HELD IN THE COUNCIL CHAMBERS, 1484 CAMERON ROAD, TAURANGA  
ON FRIDAY, 15 AUGUST 2025 AT 9.30AM**

**10.1 TE PUKE WASTEWATER TREATMENT PLANT - SUBMITTER  
PRESENTATIONS**

Submission 3 – Urban Task Force (UTF)

Aaron Collier was in attendance to speak on behalf of the Urban Task Force. He provided an overview of their submission, which was provided as Tabled Item 2. He made the following additional points:

- He felt Council should also relook at the funding model, noting that there seemed to be some disparities between whether the commercial and industrial land at Te Puke had been included.
- The replacement plant should be sustainable and robust in terms of providing for future growth, including growth that may not be planned for yet.

Mr Collier responded to pātai as follows:

- He believed the Ōmokoroa Pipeline was an example of poor planning, noting that Council was told at the time that the pipeline needed to have capacity to cater for growth, which he believed it did not. He was urging Council to ensure that this was planned for through this project, and that opportunities for “clip-ons” were also provided for.
- He requested Council to revisit and reconsider the initial options presented, noting that some of those options would have been discounted due to cost, however given the significant price increase, they should be reconsidered.
- It was made clear that the UTF was supportive of a Wastewater Treatment Plant in Te Puke, however encouraged Council to ensure that they were getting their moneys worth.

## Confidential Council Meeting Agenda

4 September 2025

**SUB 5 written submission - tabled item 2**

12 August 2025

Western Bay of Plenty District Council  
Private Bag 12803  
Tauranga 3143

Attention: EJ Wentzel

Dear Sir,

**FEEDBACK ON TE PUKE WASTEWATER TREATMENT PLANT**

The Urban Task Force for Tauranga (UTF) appreciates the opportunity to provide this feedback to the Western Bay of Plenty District Council in relation to the proposed Te Puke Wastewater Treatment Plant project.

UTF is incorporated as a society with its purpose being to represent its members who are property professionals and funders, developers, iwi and hapu, and owners and manager of properties in the Western Bay of Plenty sub-region. UTF seeks to provide strong and informed leadership to local authorities, promote and foster productive local networks around property and related issues, and to advocate for the development industry by making submissions to both central and local government.

UTF is focused on the opportunities presented by growth and unlocking these opportunities by working collaboratively and innovatively across government, local government, and the private sector to achieve positive outcomes. UTF advocates for connected planning, connected thinking, connected government, and strong leadership.

Tauranga has a severe shortage of residential land and associated infrastructure to provide for the necessary housing for future residents and spaces for businesses to invest in. Poor past planning decisions have led to a housing supply and affordability crisis and constrained infrastructure with limited capacity to provide for growth. UTF supports the need for further wastewater treatment infrastructure to support the future development of the sub-region.

Having reviewed the Council's proposal for the Te Puke Wastewater Treatment Plant, our membership and executive have provided feedback and comments which we have adopted as recommendations in this submission.

**General**

We appreciate that the Council has difficult decisions to make in relation to investment in infrastructure. In our previous submissions to the Council (including through annual plan hearings), UTF highlighted that the Western Bay of Plenty District Council needs sustainable capital investment in its infrastructure and that decision making in relation to capital works such as that proposed for Te Puke needs to be robust and based on sound and certain information,

## Confidential Council Meeting Agenda

4 September 2025

**SUB 5 written submission - tabled item 2**

technical analysis and feasibility. Most importantly, UTF have highlighted that infrastructure should be designed to be staged, so that it is provided as demand occurs. It should also not be undersized or unduly constrained by limited capacity which has occurred in the past.

UTF supports the need for either an upgrade of the existing wastewater plant or a new standalone wastewater treatment plant but considers that either option needs to be based on a sub-regional focus to manage the wastewater needs of land to be developed within both the Western Bay of Plenty District and Tauranga City. UTF is previously on record as supporting the formation of a Council Controlled Organisation (CCO) with other Council's (including Tauranga City Council) to manage all water services. This is a natural first step towards local authority amalgamation in the Bay of Plenty. A CCO will improve efficiencies and provide further funding options for wastewater infrastructure. The Te Puke Wastewater Treatment Plant upgrade must be based on a sub-regional approach to growth which accounts for land use and infrastructure planning by both TCC and WBOPDC. This includes the consideration of the Te Tumu urban growth area and projects which have been referred under the Fast Track Approvals Act. These significant development sites are in close proximity to the Te Puke Wastewater Plant.

The funding model prepared to support the treatment plant has not considered the Te Tumu Urban Growth Area or fast-track projects within the plant's catchment nor existing industrial and commercial zoned land. The ability to "clip on" capacity to service these developments is critical consideration which if ignored will lead to significant future inefficiencies.

UTF's view is that any wastewater treatment plan planned for Te Puke needs to be planned and funded on the basis that the agreed system and its delivery can be staged so as to be efficient, feasible and sustainable.

The current funding model and staging may lead to unsustainable costs being passed solely on to Te Puke developers through the Councils financial contribution model or any future replacement. This reinforces the need for a sub-regional approach to wastewater infrastructure achieving economies of scale. The current estimated cost of the plant at \$95.6 million has escalated significantly since 2023 (the earlier cost being estimated at around \$45 million). The current proposal is significantly constrained by only servicing 2,600 lots, and failing to account for any further growth in the Te Puke/eastern corridor.

**Decision Sought**

The decision that UTF seeks from the Western Bay of Plenty District Council is that the above matters be considered in deliberations as part of decision making and that amendments be made to the Te Puke Wastewater Treatment Plant project to address the matters that we have set out above. Specifically, UTF requests:

- a. Any plant provides for the needs of future development on the basis of a Council Controlled Organisation which manages wastewater regardless of District boundaries. The potential for the Te Puke Wastewater Plant project to service a much wider area in an efficient manner needs to be factored in. This includes the Te Tumu Urban Growth Area and referred Fast Track consent projects. A proper investigation on the potential future number of dwellings and the likely catchment is required beyond the immediate Te Puke Urban area.
- b. Costs have risen to \$95 million without any proper explanation as to why. Given this significant and recent increase, UTF considers that the Council needs to revisit alternative technologies and the earlier considered options to provide appropriate comparisons, along with the idea of a staged or "clip on" approach to any plant.

## Confidential Council Meeting Agenda

4 September 2025

## SUB 5 written submission - tabled item 2

- c. The funding model for the wastewater plant needs to be reviewed to incorporate commercial and industrial users along with Referred fast-track projects and the planned urban growth areas including the Te Tumu Urban Growth Area.
- d. The current further capacity proposed is severely limited. The option of a replacement plant must have the ability to be staged and easily expanded as development occurs.

UTF would like to present its submission on the matters raised above. UTF would also be happy to make a joint submission to Council with others.

Yours faithfully



**SCOTT ADAMS**  
**CHAIRMAN**

URBAN TASK FORCE FOR TAURANGA



Memorandum

To EJ Wentzel & Kevin Stratton, Western Bay of Plenty District Council (WBOPDC)  
From Jamie Ferguson  
Date 12<sup>th</sup> August 2025  
Subject TPWWTP Re-use Estimate Update

Dear EJ & Kevin,

Alta has independently reviewed the alternative concept based on a 50/50 split between old and new works for the Te Puke Wastewater Treatment Plant upgrade project, while maintaining a maximum discharge of 106 L/s from the works.

The original 2022 expected estimate for this concept was [REDACTED]. Alta has revisited and updated this estimate to account for cost escalation and design changes to update the new plant design in line with the Mott MacDonald (MM) detailed design.

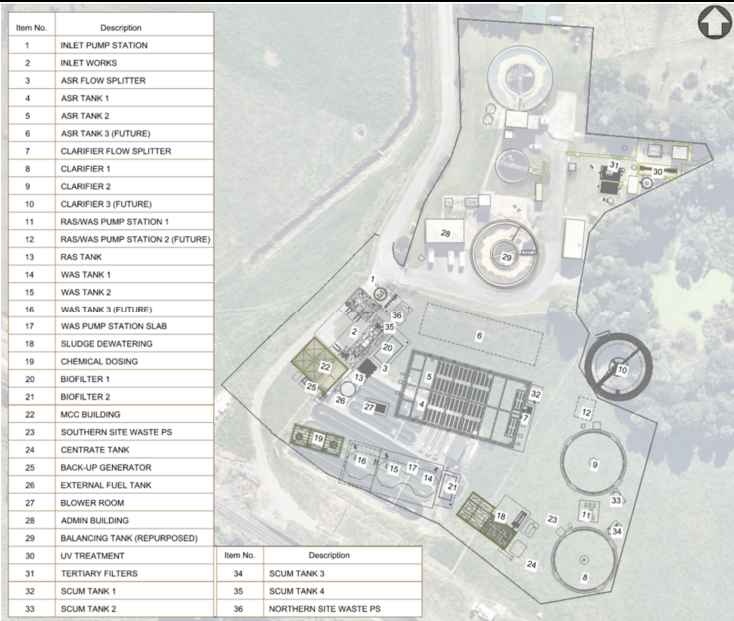
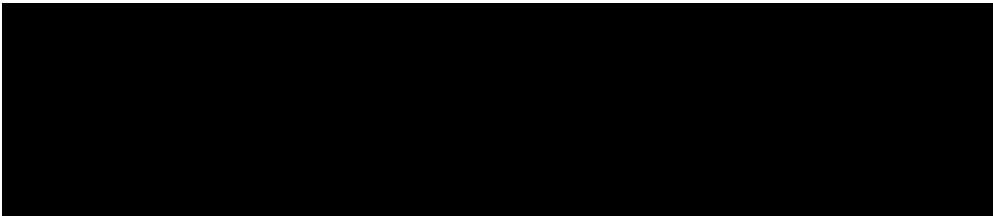


Figure 1 – Proposed new plant layout.

## Confidential Council Meeting Agenda

4 September 2025

Key changes for the reuse estimate included:

- Deletion of ASR tank 2
- Deletion of clarifier 1 with corresponding scum tank 3
- Reduction of clarifier 2 diameter to 17m
- Reduction of earthworks and ground improvements for the reduced ASR tank and clarifier
- Deletion of WAS tank 2
- Reduction of one tertiary filter
- Reduction of two blowers
- Reduction of two RAS pumps
- Addition of a PE lined emergency storage lagoon with pump station
- Upgrades to existing reactors and tie-ins to existing plant
- Increased temporary works to allow for additional service investigations
- Balance tank no longer required as not required in original re-use scope

Items to remain constant to current MM design:

- Inlet pump station.
- Inlet works.
- ASR tank 1 with corresponding scum tank 1.
- ASR and clarifier flow splitters.
- Pipework to deleted ASR and clarifier.
- Chemical dosing, control/MCC, admin and sludge dewatering buildings.
- M&E chemical, biofilters, centrifuges, centrate and UV.
- Site service, potable, firefighting water, stormwater and wastewater networks.
- Backup generator and fuel tank.
- Blower room/container.
- Scum tank 2 for clarifier 2 and scum tank 4 for inlet works.
- Roading, landscaping, utilities and ancillary works.

#### KEY ASSUMPTIONS

It is assumed that the deleted ASR Tank 1, Clarifier 1, and WAS Tank 2 will form part of the first future plant upgrade. Therefore, the pump station slabs, flow splitters, and underground pipework are to remain as currently designed. This may create a potential conflict with any further ground improvement works required for the future construction of ASR Tank 1, Clarifier 1, and WAS Tank 2. Additionally, it is assumed with the use of the existing plant there is no requirement for a new flow balance tank or modifying an existing reactor for this purpose.

This estimate excludes the costs for ground improvements and seismic strengthening of the existing plant structures, as outlined in the estimate and memorandum issued on 6 March 2025. As stated in the memorandum, the additional expected cost for jet grouting and seismic strengthening is approximately [REDACTED]. However, there remains significant variability in the scope of seismic strengthening, and there is a possibility that this cost could exceed the current estimate.

**ALTA**

Level 26 | 188 Quay Street | Auckland 1010

Page 2

---

Confidential Council Meeting Agenda4 September 2025

---

Additionally, as per memo issued on 9<sup>th</sup> of December 2022, there is no allowance for additional linings, coatings or membrane to improve the design life and reduce corrosion on the existing structures. It is assumed these structures will be decommissioned within Stage B.

**FURTHER RISKS ASSOCIATED WITH REUSE OF THE EXISTING PLANT**

As outlined in the MM Alternative Plant Design Report (issued 5 December 2022), the reuse of the existing plant carries the following risks:

1. Redundancy – The existing plant may not have the required capacity to process the full flows when the new portions out of service, e.g. for maintenance or repairs. Potentially requiring additional storage.
2. Storm / Emergency Storage – Further modelling may be necessary to confirm whether the existing plant and the proposed 1,500 m<sup>3</sup> pond provide adequate capacity. This volume may prove insufficient in certain scenarios.
3. Design Life / Condition – Some structures and equipment are nearing the end of their design life. Additional maintenance or partial replacement may be required before progressing to Stage B (full plant replacement)
4. Consent for Future Flows – Additional sampling and surveys may be required to support consent applications for reusing the existing plant.
5. Programme Implications for Change in Design – A late decision to reuse the plant would require further design work, potentially delaying construction.
6. Seismic Strengthening – As per previous memo further seismic strengthening may be required for this existing plant.
7. Electrical Infrastructure – The condition and compliance of existing electrical equipment needs to be verified. Some components may need replacement to meet current standards and ensure compatibility between old and new systems.
8. Existing Control System – The SCADA, control system and hardware within the existing plant is outdated for with new plant. This may require updating however there is a lack in as-built information which could limit this.
9. Impact on Existing WWTP Operations – Taking each reactor offline for modifications will reduce treatment capacity and increase health and safety risks.
10. Other risks include environmental, health and safety risks associated with operating older infrastructure. Higher-than-expected population growth in Te Puke before Stage B completion, potentially exceeding plant capacity. Performance issues within the existing plant that are not yet identified.

For all estimates escalation has been projected for the Quarter 3 2025 period, so all estimates are comparable in Quarter 3 2025 dollars. Foreign exchange variability has been estimated from the various previous estimates to ensure comparability between estimates.

Refer to summary sheet attached in Appendix for additional breakdown.



Level 26 | 188 Quay Street | Auckland 1010

Page 3



Confidential Council Meeting Agenda

4 September 2025

Yours sincerely,



Jamie Ferguson  
Alta Consulting Ltd



**ALTA**

Level 26 | 188 Quay Street | Auckland 1010

Page 4

APPENDIX

Appendix 1: Comparison Table Between Reuse and New Plant Options - Updated to Current Costs

| Te Puke WWTP - Reuse Existing Plant with MM Detail Design |       | Te Puke WWTP - New Plant with MM Detail Design |       |
|---|-------|--|-------|
| Discription   | Value | Discription                                    | Value |
| P&G   |       | P&G  |       |
| Environmental and Temp Works                              |       | Environmental and Temp Works                   |       |
| Earthworks  |       | Earthworks                                     |       |
| Ground Improvements                                       |       | Ground Improvements                            |       |
| Structural  |       | Structural                                     |       |
| Mechanical  |       | Mechanical                                     |       |
| Electrical  |       | Electrical                                     |       |
| General Site  |       | General Site                                   |       |
| Existing Structures Works                                 |       |  |       |
| Testing and Commissioning                                 |       | Testing and Commissioning                      |       |
| Risk and Escalation                                       |       | Risk and Escalation                            |       |
| Nett Cost   |       | Nett Cost                                      |       |
| Offsite Overheads and Profit                              |       | Offsite Overheads and Profit                   |       |
| Gross Cost  |       | Gross Cost                                     |       |
|   |       |  |       |
|   |       |  |       |



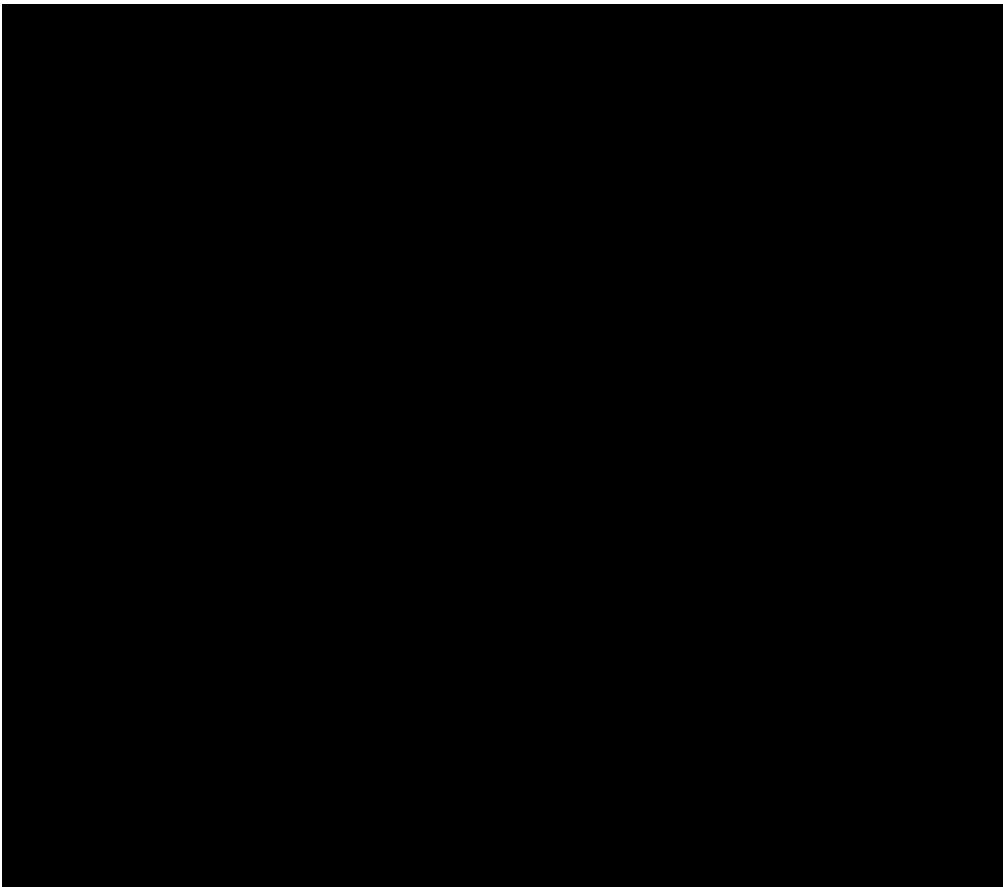
Memorandum

**To** Fazrul Khairy, Western Bay of Plenty District Council  
**From** Sam Salter  
**Date** 11 July 2025  
**Reference** J000493  
**Subject** Te Puke Wastewater Treatment Plant – Final Bid Price Validation

Dear Fazrul,

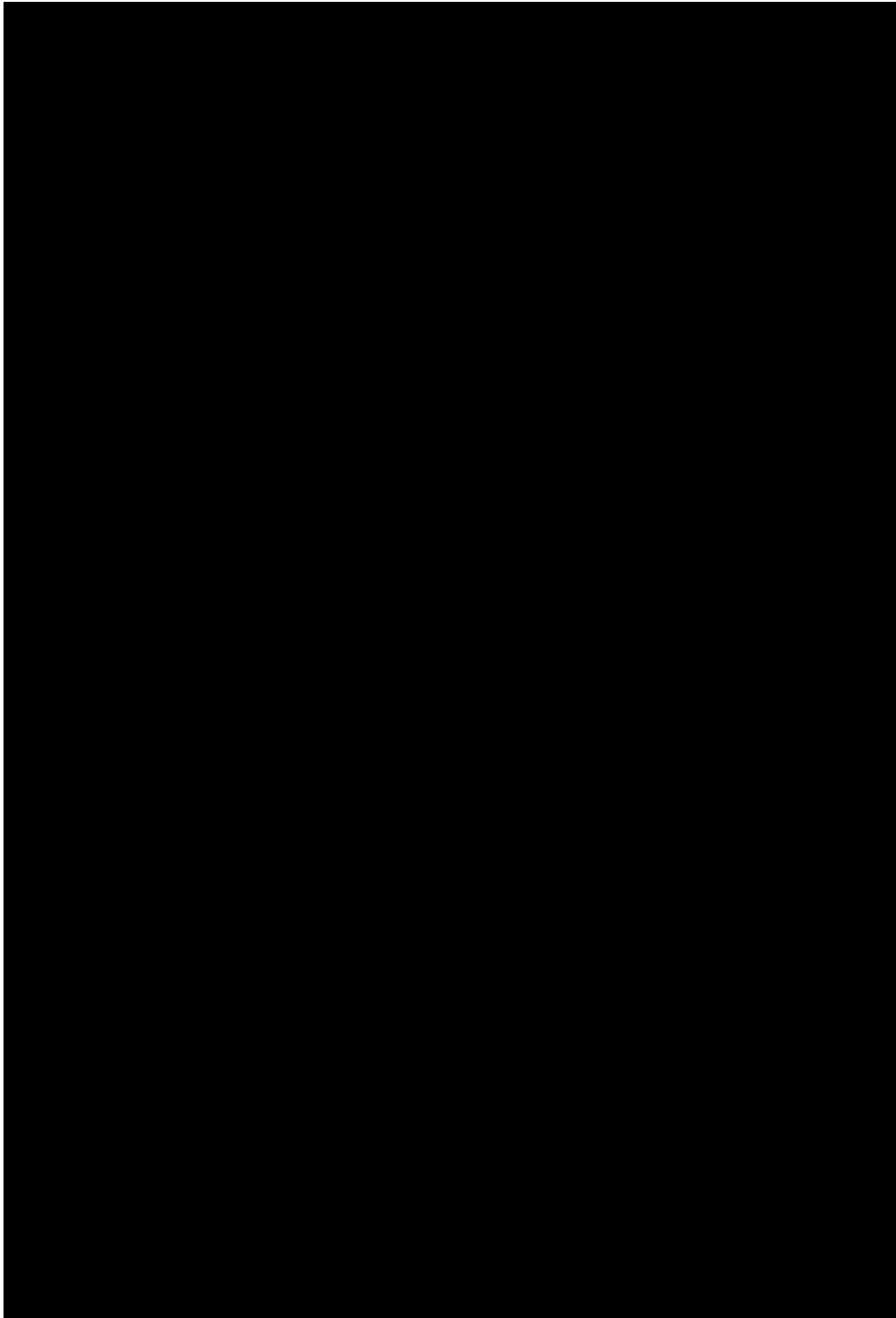
Alta has been engaged to provide independent construction cost verification services for the Te Puke Wastewater Treatment Plant (WWTP) Design and Build project based on McConnell Dowell’s Final Bid design under NZS3916:2013 Contract.

The works include the design and construction of a new WWTP facility comprising inlet works, flow splitters, iSBR tanks, WAS storage, dewatering facilities, chemical dosing, tertiary treatment, connecting pipework, an MCC building, general site works, drainage, electrical works, and commissioning as shown below. The design is currently at a tender phase, which is largely sufficient for the provision of a final bid price. Detailed design and construction design will proceed during the contract period.



Confidential Council Meeting Agenda

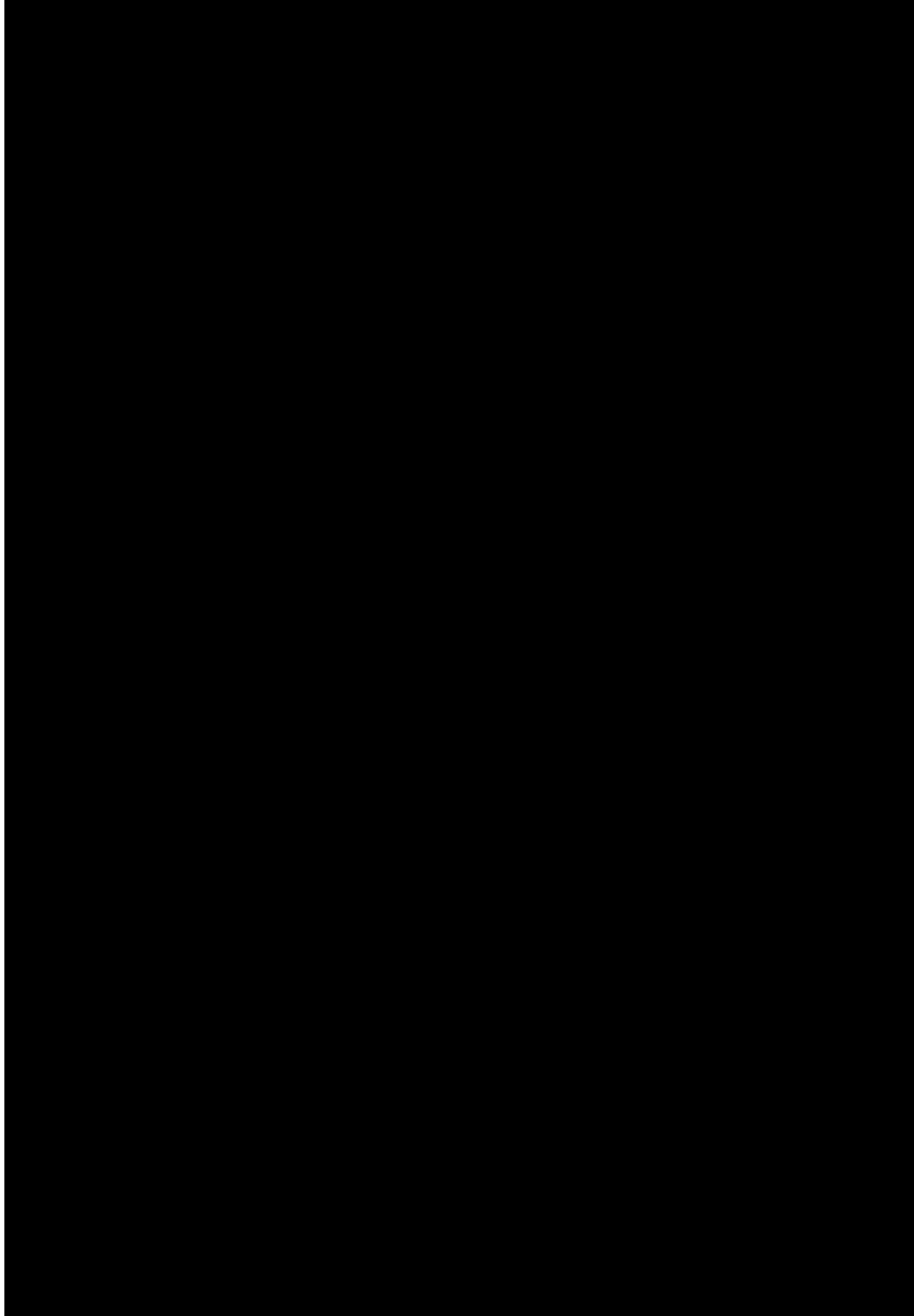
4 September 2025



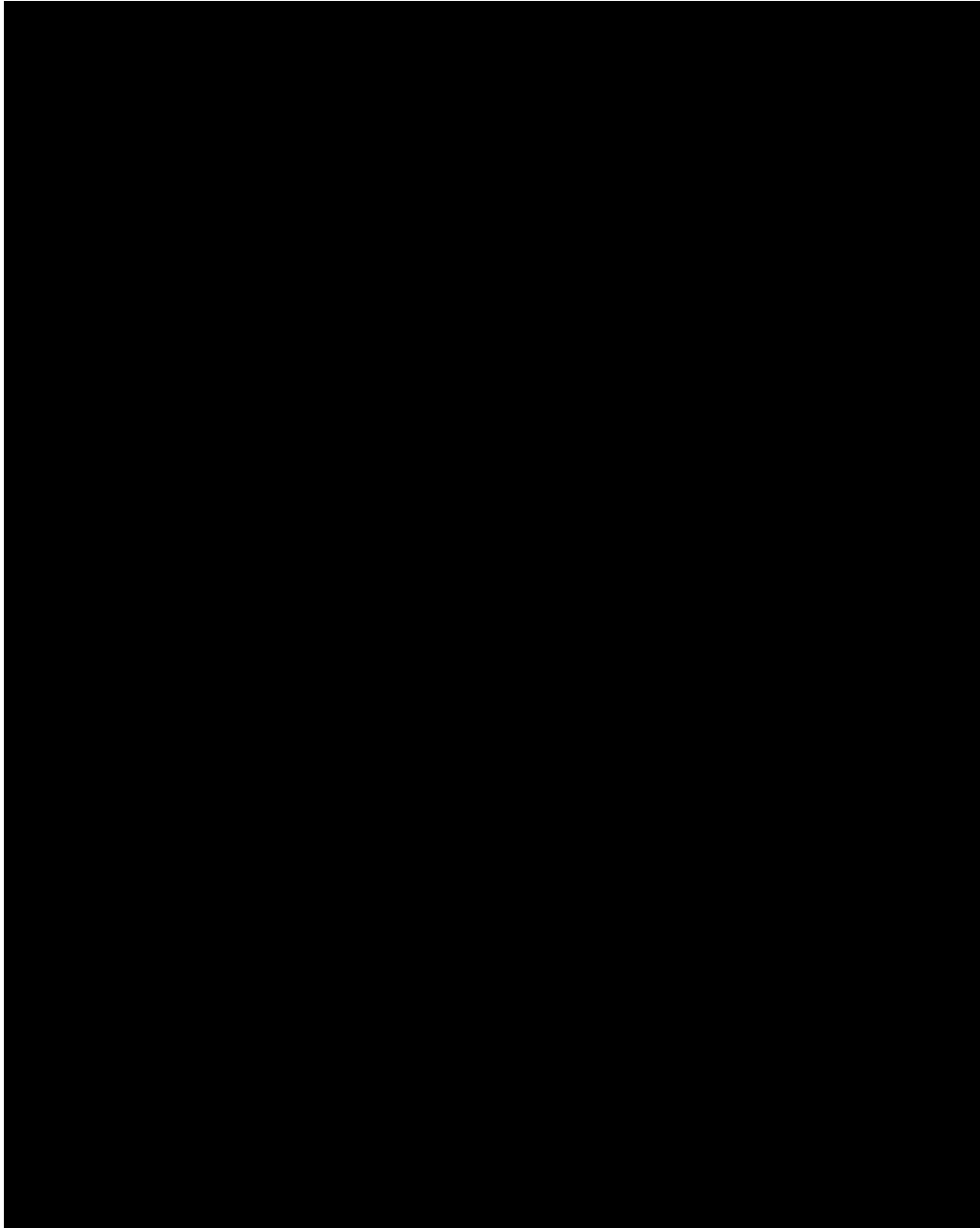
Level 26,188 Quay Street  
Auckland

Page 2 of 4

ALTA



ALTA

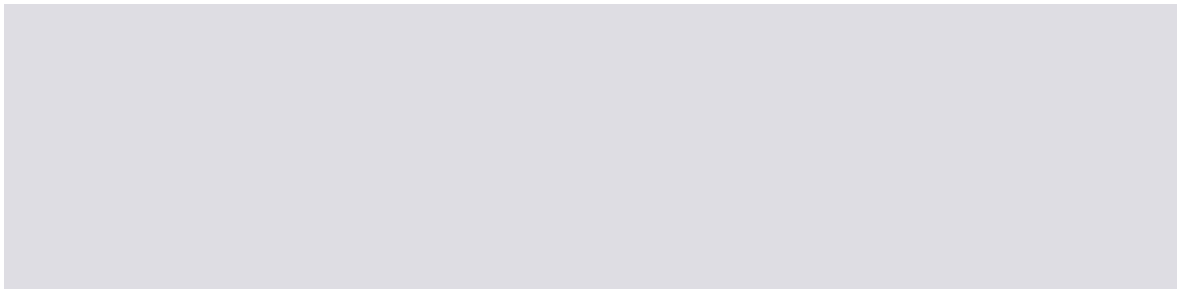


Level 26, 188 Quay Street  
Auckland

Page 4 of 4

Confidential Council Meeting Agenda

4 September 2025



PRICING & ESTIMATE REVIEW REPORT

JULY 2025 – REV 1

TE PUKE WASTEWATER TREATMENT  
PLANT

WESTERN BAY OF PLENTY DISTRICT COUNCIL

|  |   |   |
|--|---|---|
| <b>Prepared For</b><br><br>Western Bay of Plenty<br>District Council<br>Cameron Road<br>Greerton<br>Tauranga<br>3112 | <b>Prepared By</b><br><br>Rider Levett Bucknall<br>16/48 Shortland Street<br>Auckland 1010<br>T: 09 309 1074<br><a href="#">RLB.com</a> | <b>Our Ref</b><br><br>A11691 Te Puke<br>WasteWater Treatment<br>Plant Pricing and<br>Estimate Review<br><br><b>Project number</b><br><br>A11691 |
| <b>Submitted on</b><br><br>15 July 2025  |   |   |





TABLE OF CONTENTS

|                                   |          |
|-----------------------------------|----------|
| <b>1.0 Background</b>             | <b>3</b> |
| <b>2.0 Executive Summary</b>      | <b>3</b> |
| <b>3.0 Peer Review Process</b>    | <b>3</b> |
| 3.2.1. Quantification             | 4        |
| 3.2.2. Rates                      | 4        |
| 3.2.3. Quotes                     | 4        |
| 3.2.4. Risk                       | 4        |
| 3.2.5. Programme                  | 4        |
| <b>4.0 McConnell Dowell Offer</b> | <b>4</b> |
| 4.1 Contractors Design .....      | 6        |
| 4.2 Preliminaries & General.....  | 7        |
| 4.3 Risk.....                     | 8        |
| 4.4 Construction Cost .....       | 9        |

**Prepared By**  
Michelle Claassens  
Associate Director  
[Redacted]

**Project Director**  
Ed Cook  
Director  
[Redacted]



## Confidential Council Meeting Agenda

4 September 2025



## 1.0 BACKGROUND

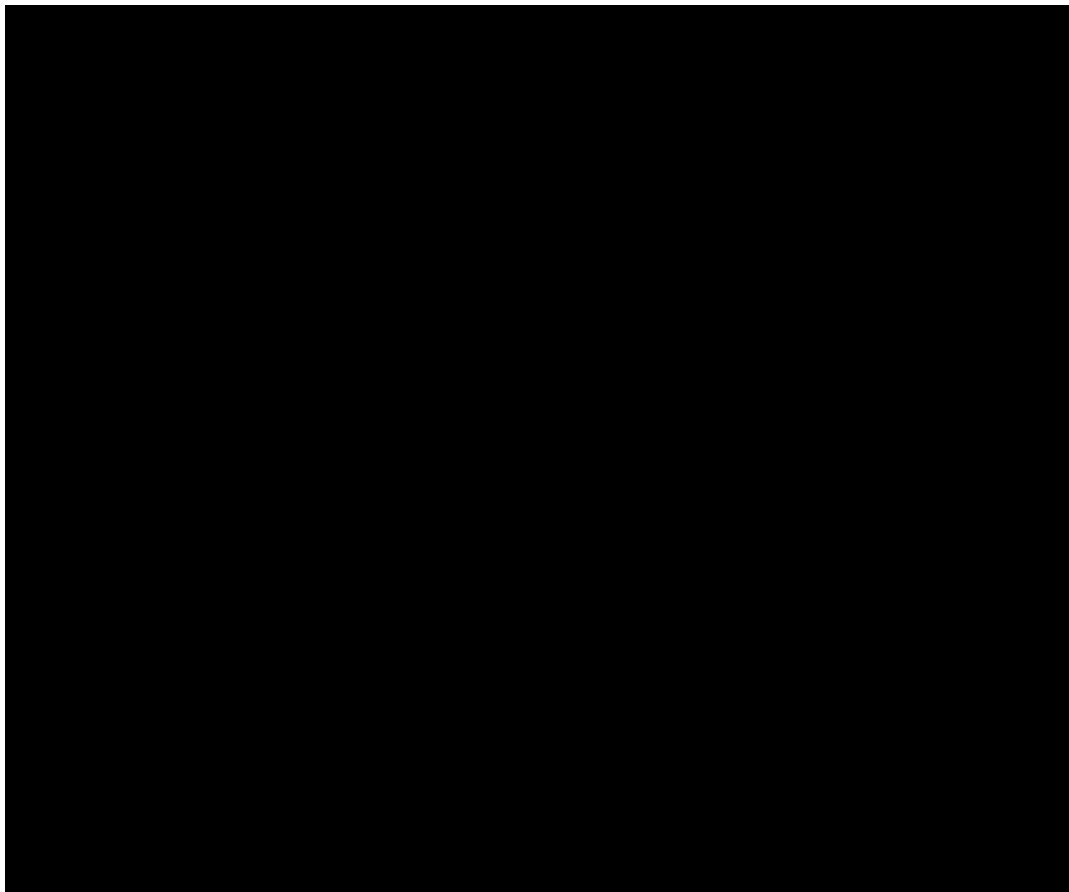
The Te Puke and surrounding township has experienced significant growth and together with the forecasted growth, the current wastewater treatment plant will be unable to service this area.

Western Bay of Plenty District Council (WBOP) requires the Te Puke wastewater treatment plant (TPWWTP) to be re-developed to service the current Te Puke township, as well as provide capacity to enable future development.

WBOP have engaged with McConnell Dowell (McD) to provide an offer for the design & build of the proposed Te Puke wastewater treatment plant. Alta Consulting has been engaged by WBOP to provide construction cost verification services through detailed review of quantities, pricing, rates etc.

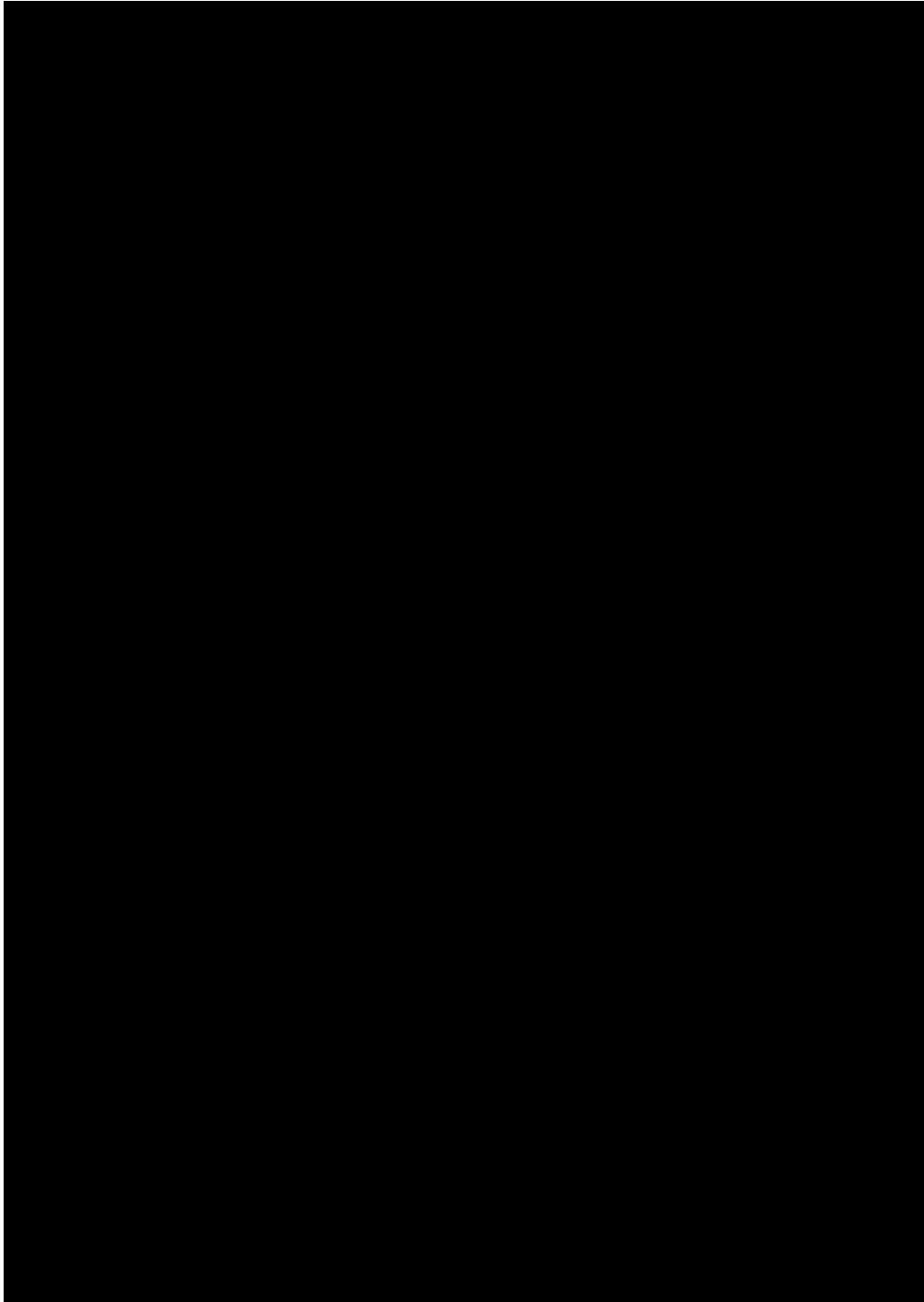
WBOP has requested Rider Levett Bucknall (RLB) to review the McD offer from a high level, overview perspective in conjunction with Alta's feedback to identify and highlight any commercial anomalies or concerns.

The overview is conducted based on a peer review process, and due to time constraints and Alta's existing services, a parallel estimate as well as detailed and in-depth review and verification of pricing is not required.



Confidential Council Meeting Agenda

4 September 2025



## Confidential Council Meeting Agenda

4 September 2025



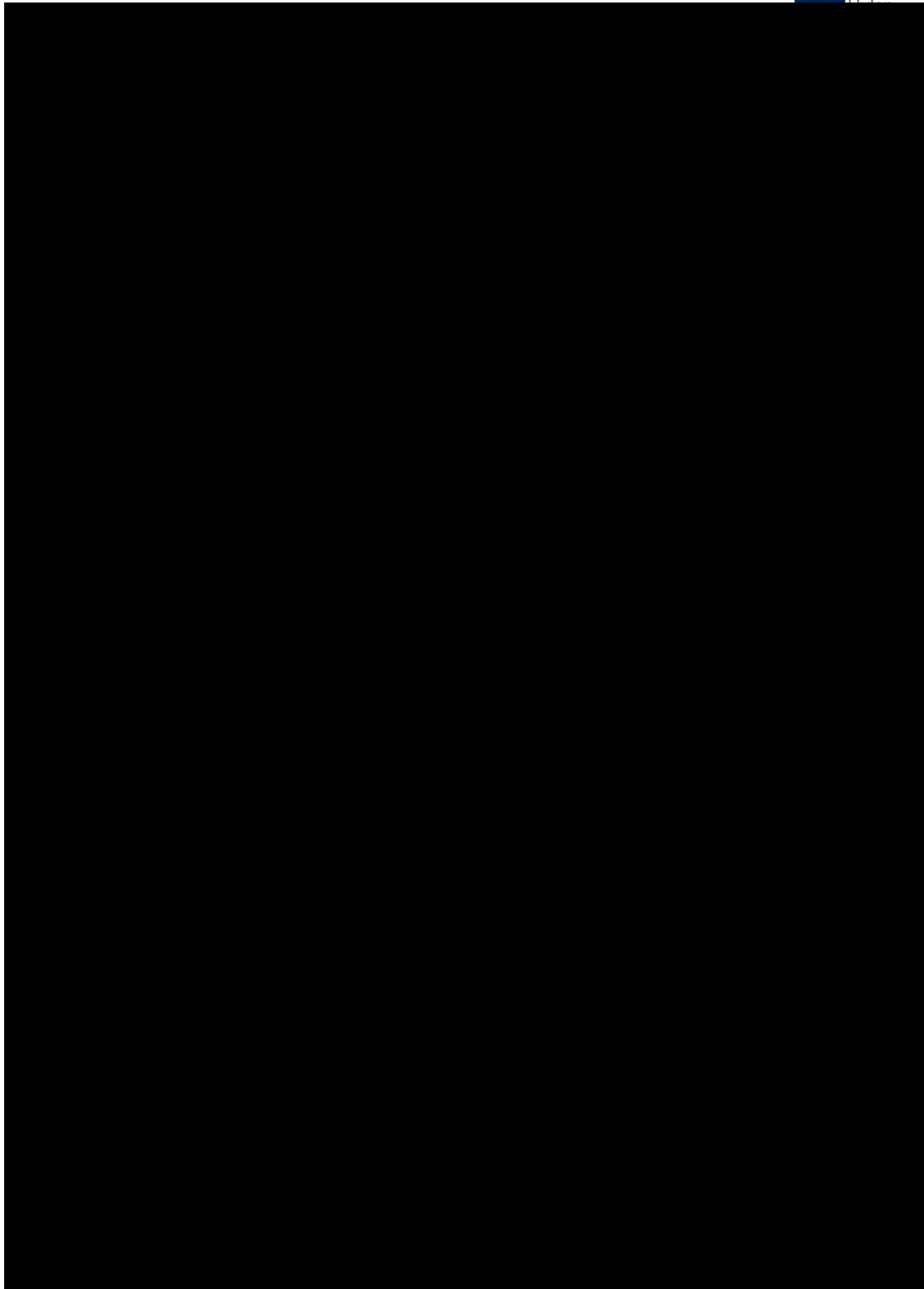
This peer review is mainly focused on the final price and pricing schedule, although information from the rest of the offer has been considered in our review.

The offer is summarised as follows:

| No                            | Description                             | Amount |
|-------------------------------|---|--------|
| 1                             | Contractors Design                      |        |
| 2                             | Preliminary & General                   |        |
| 3                             | Risk                                    |        |
| 4                             | Temporary Works & Environment           |        |
| 5                             | Ground Improvements                     |        |
| 6                             | Earthworks                              |        |
| 7                             | Inlet Pumpstation                       |        |
| 8                             | Inlet Works Area                        |        |
| 9                             | Flow Splitter Chamber                   |        |
| 10                            | ISBR Tank Area                          |        |
| 11                            | WAS Storage Area                        |        |
| 12                            | Dewatering Building                     |        |
| 13                            | Chemical Dosing                         |        |
| 14                            | MCC Building                            |        |
| 15                            | Tertiary Treatment                      |        |
| 16                            | Back-up Generator                       |        |
| 17                            | General Siteworks Drainage              |        |
| 18                            | Connecting Process Network              |        |
| 19                            | General Site Utilities                  |        |
| 20                            | Electrical, Instrumentation and Control |        |
| 21                            | Commission and test                     |        |
| 22                            | Spares, training & documentation        |        |
| 23                            | Test after completion                   |        |
| 24                            | Additional unscheduled items            |        |
| 25                            | Off-site Overheads & Profit             |        |
| 26                            | Dayworks                                |        |
| 27                            | Unscheduled work                        |        |
| 28                            | Provisional Sums                        |        |
| <b>TOTAL OFFER (excl GST)</b> |   |        |

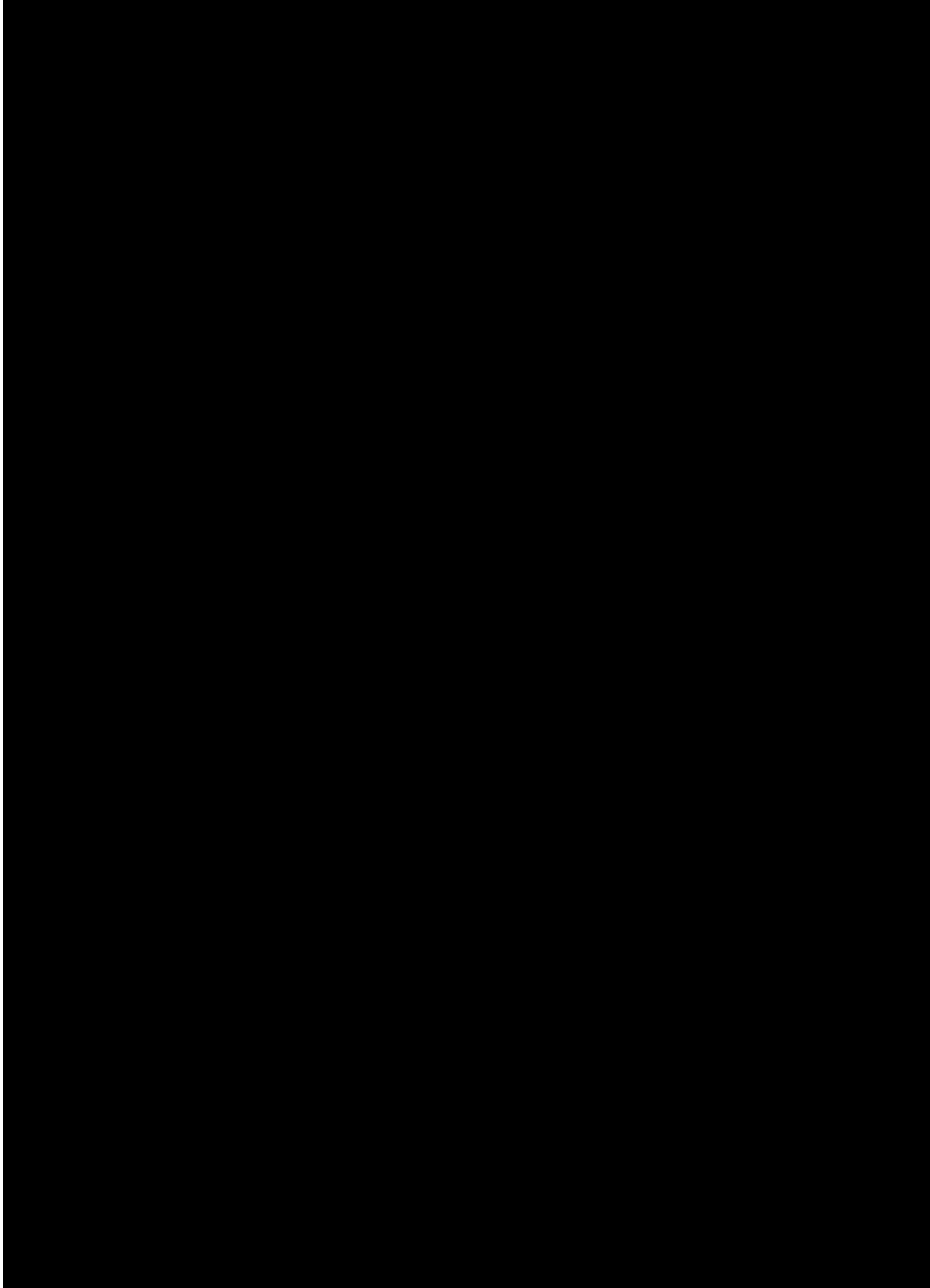
Confidential Council Meeting Agenda

4 September 2025



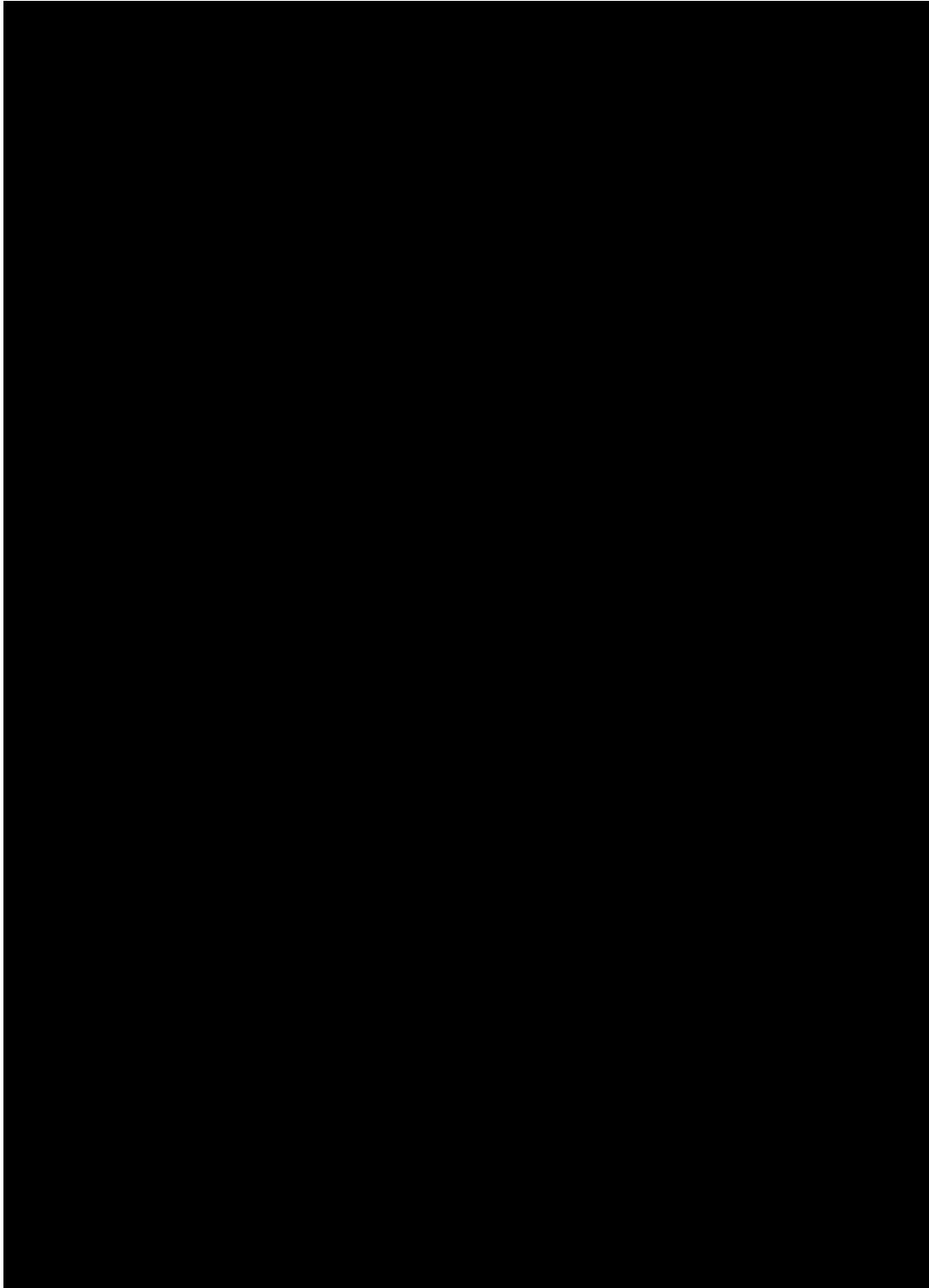
Confidential Council Meeting Agenda

4 September 2025



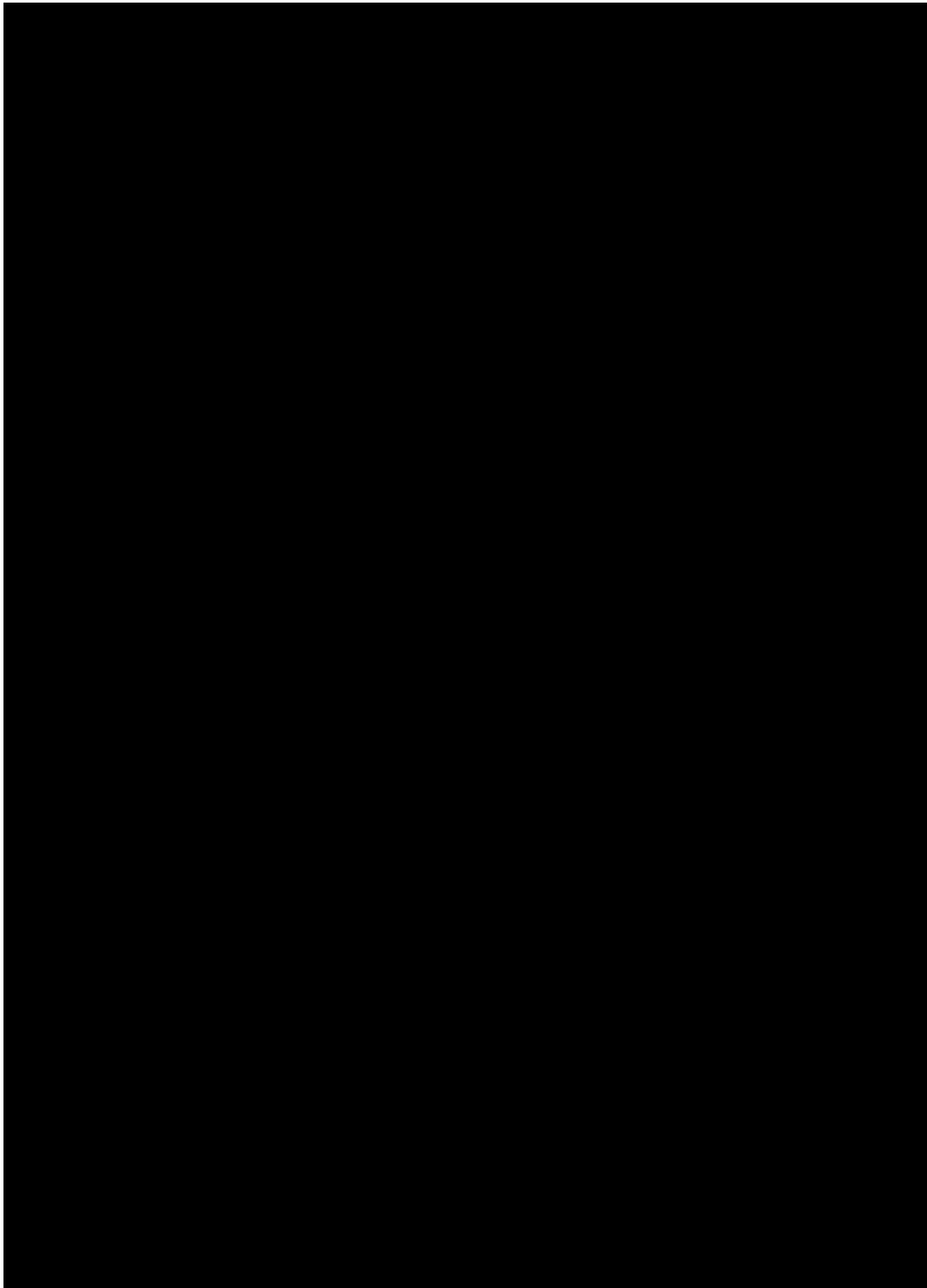
Confidential Council Meeting Agenda

4 September 2025



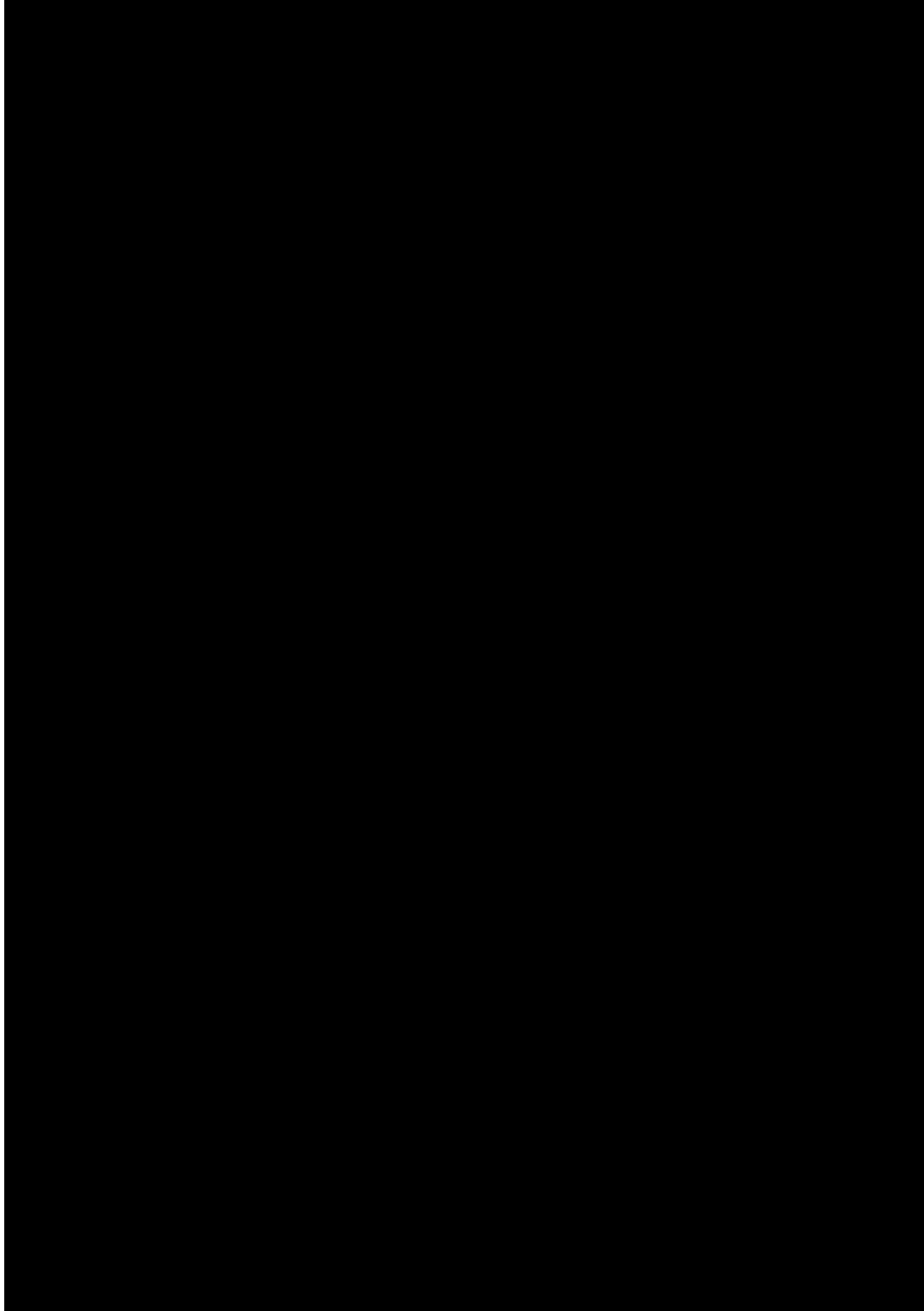
Confidential Council Meeting Agenda

4 September 2025



Confidential Council Meeting Agenda

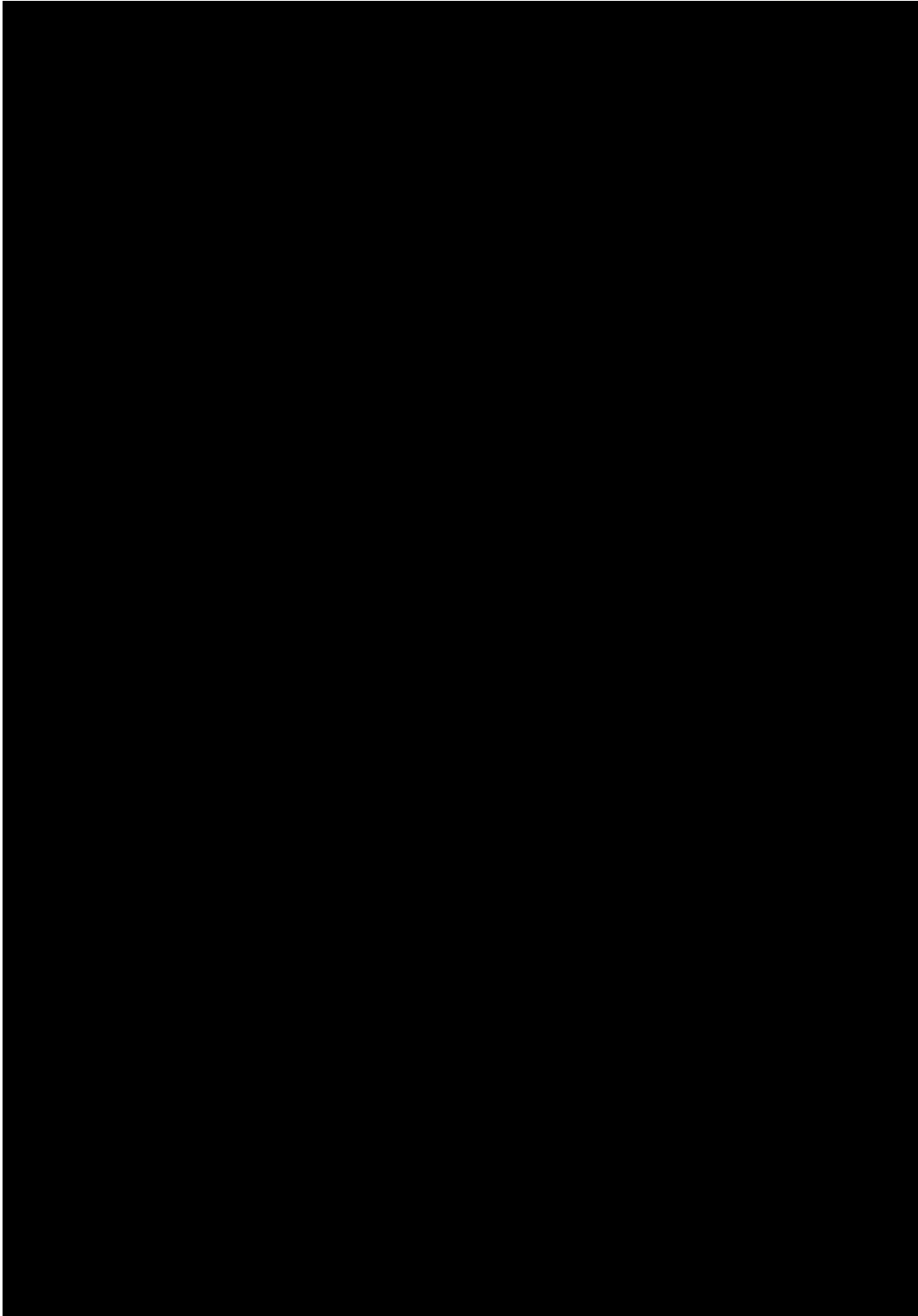
4 September 2025





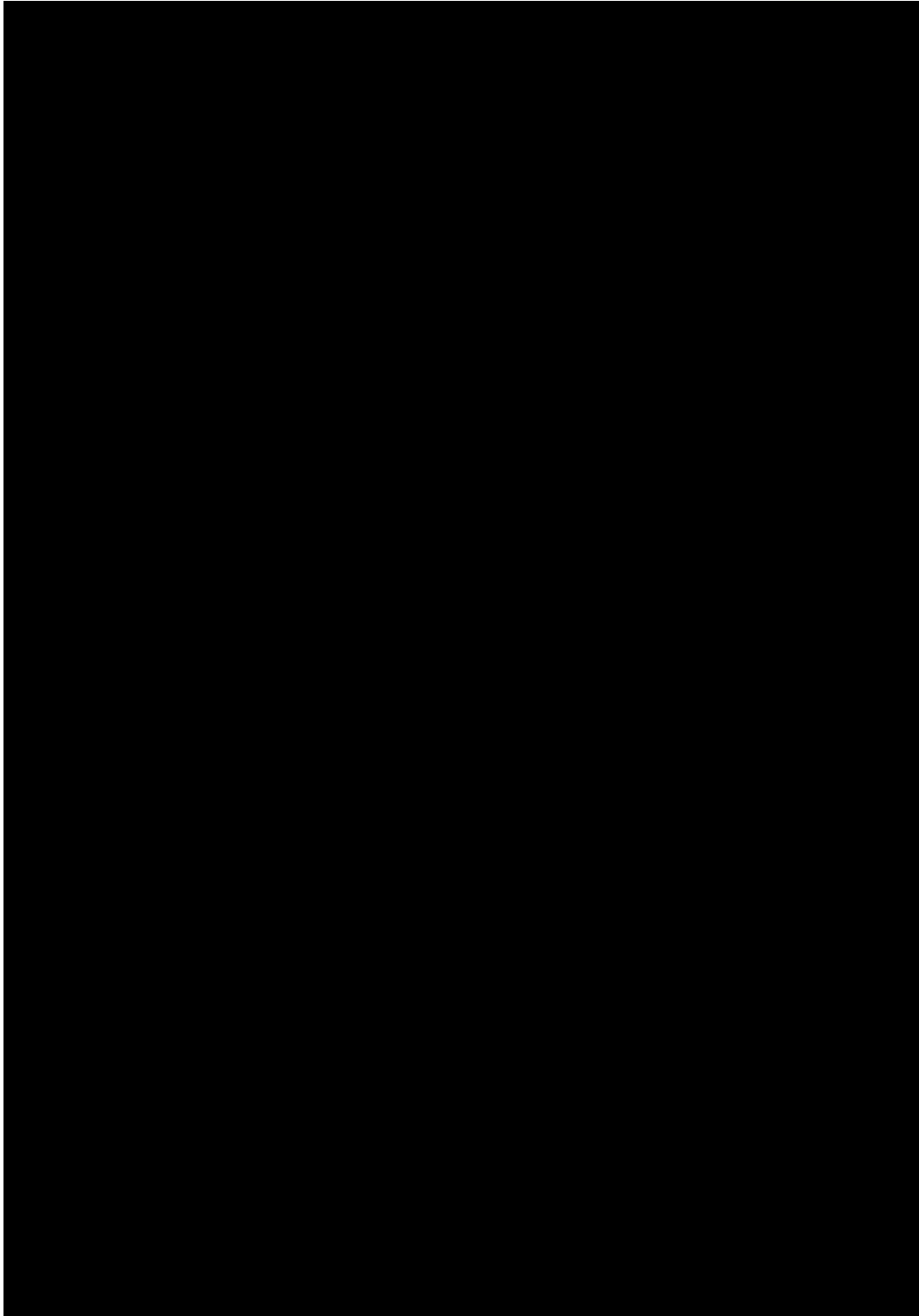
Confidential Council Meeting Agenda

4 September 2025



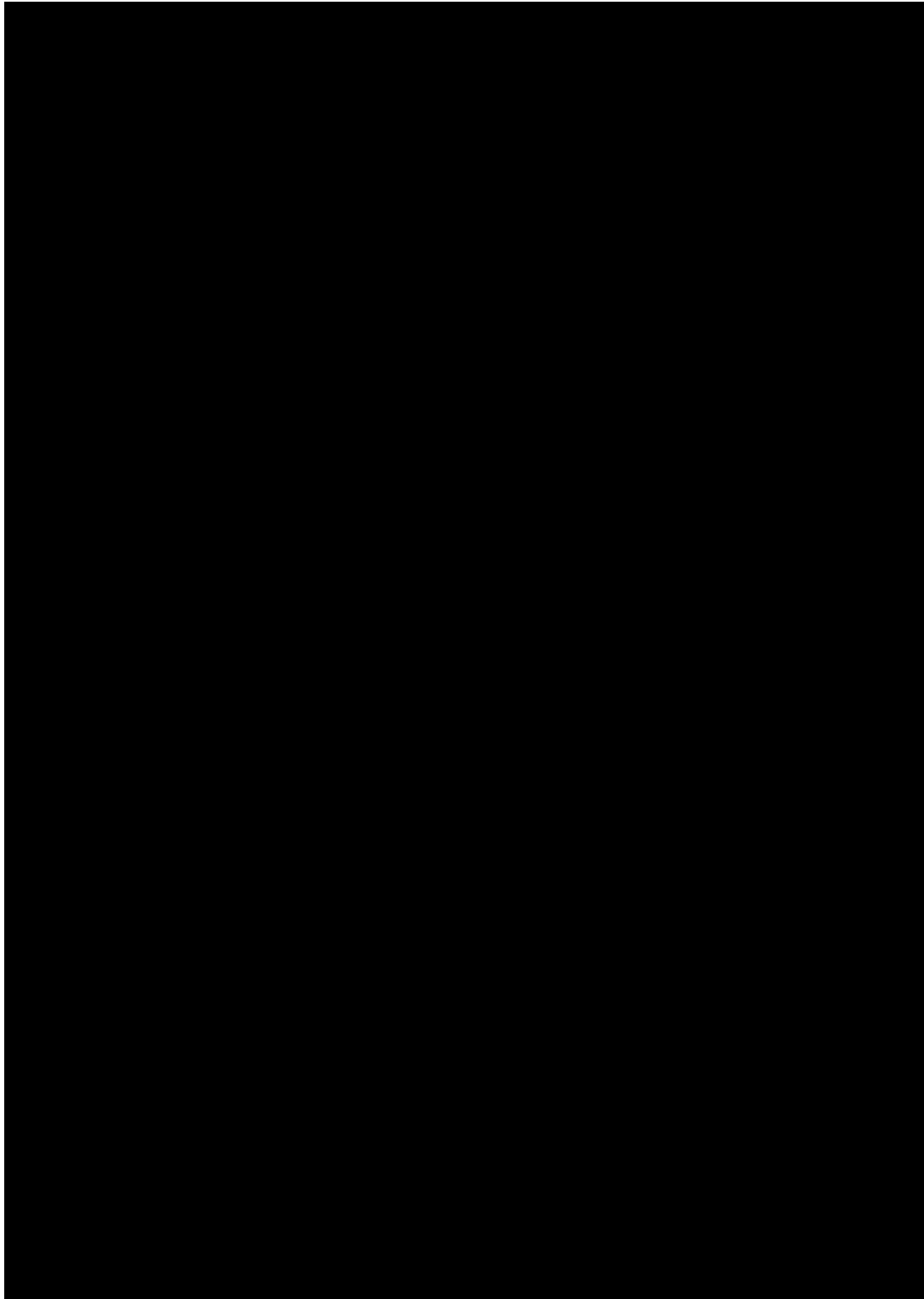
Confidential Council Meeting Agenda

4 September 2025



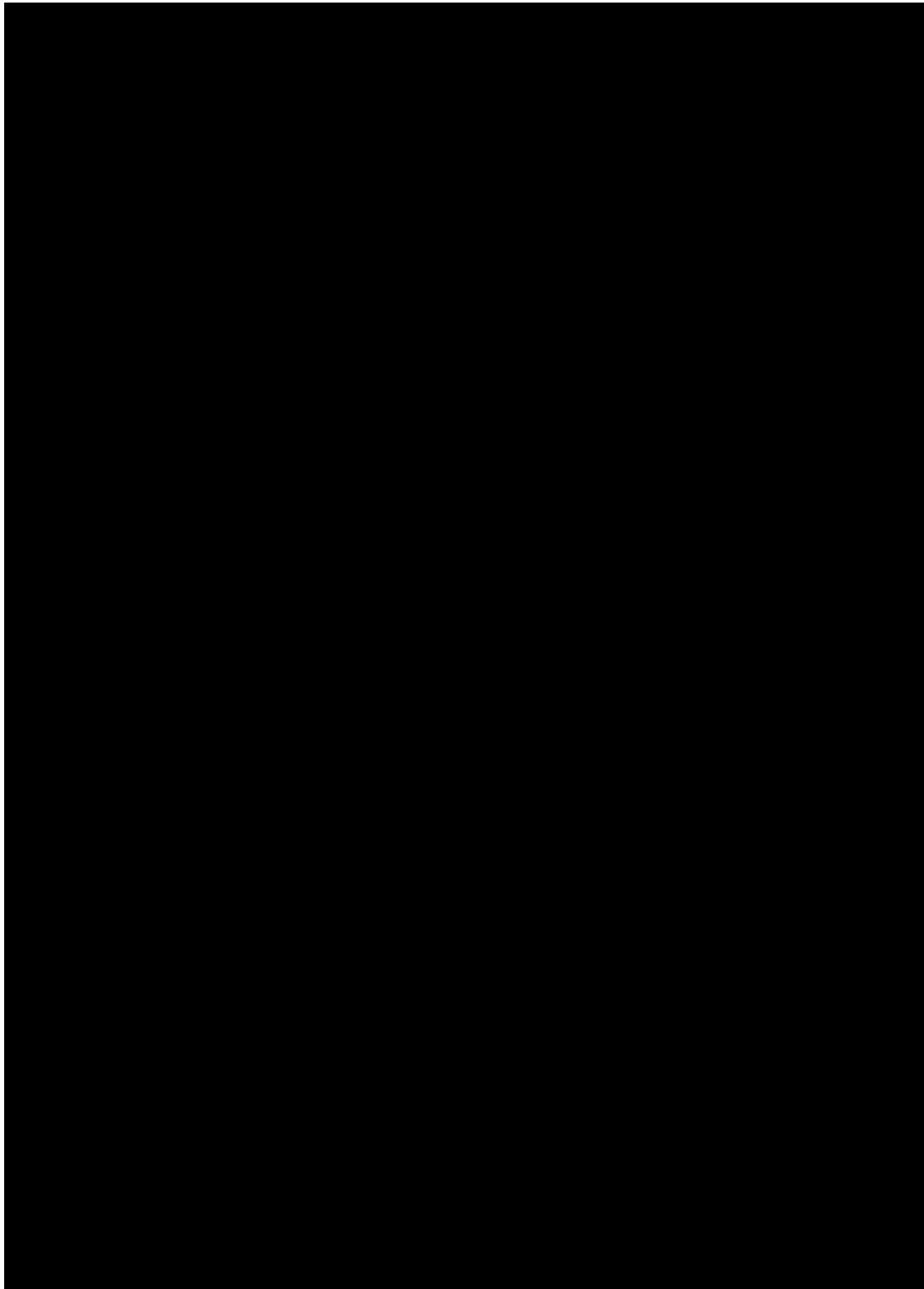
Confidential Council Meeting Agenda

4 September 2025



Confidential Council Meeting Agenda

4 September 2025



Confidential Council Meeting Agenda

4 September 2025



Memorandum

**To** EJ Wentzel & Kevin Stratton, Western Bay of Plenty District Council (WBOPDC)  
**From** Jamie Ferguson  
**Date** 14<sup>th</sup> August 2025  
**Subject** TPWWTP Budget Change Analysis

Dear EJ & Kevin,

Alta has been requested to provide a comparison and commentary between the earlier approved budget of \$61.8M (December 2022) and current (August 2025) \$95M forecast outturn cost of the project.

It appears that basis of the budgets are:

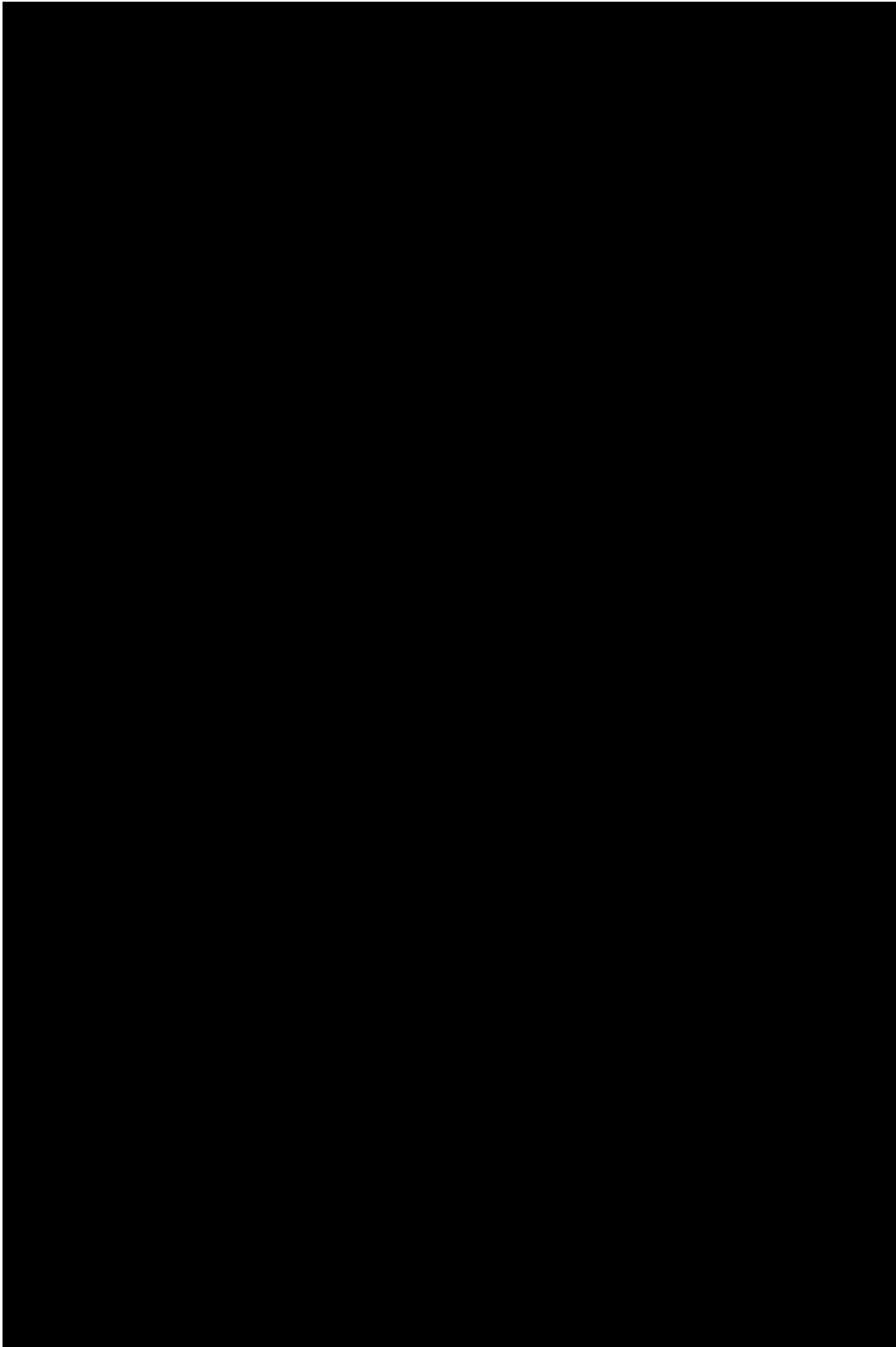
- December 2022 (\$61.8M)** – Based on Mott MacDonald Preliminary Design (September 2022), covering physical works and implementation fees only, excluding sunk or committed costs, pre-implementation costs, [REDACTED] and demolition/wetland scope.
- August 2025 (approx. \$95.0M)** – Based on Contractors Final Bid (August 2025), includes sunk costs, pre-implementation, expanded scope, demolition/wetland works, escalation and [REDACTED]

| Cost Element                    | Dec 2022 Budget (Nominal) | Aug 2025 Budget | Dec 2022 in 2025 \$ (Inflation-Adjusted) | Change vs. Inflation Only | Remaining Change |
|---------------------------------|---------------------------|-----------------|--|---------------------------|------------------|
| Pre-Implementation & Sunk Costs | [REDACTED]                |                 |  |                           |                  |
| Implementation Fees             |                           |                 |  |                           |                  |
| Physical Works                  |                           |                 |  |                           |                  |
| [REDACTED]                      |                           |                 |  |                           |                  |
| Total Project Estimate          | \$61.9 M                  | \$95.7 M        | \$68.4 M                                 | +\$6.5 M                  | +\$27.3 M        |

*\*August 2025 budget includes demolition and wetland conversion [REDACTED] and Northpower cable upgrade [REDACTED], which were excluded from Dec 2022 scope.*

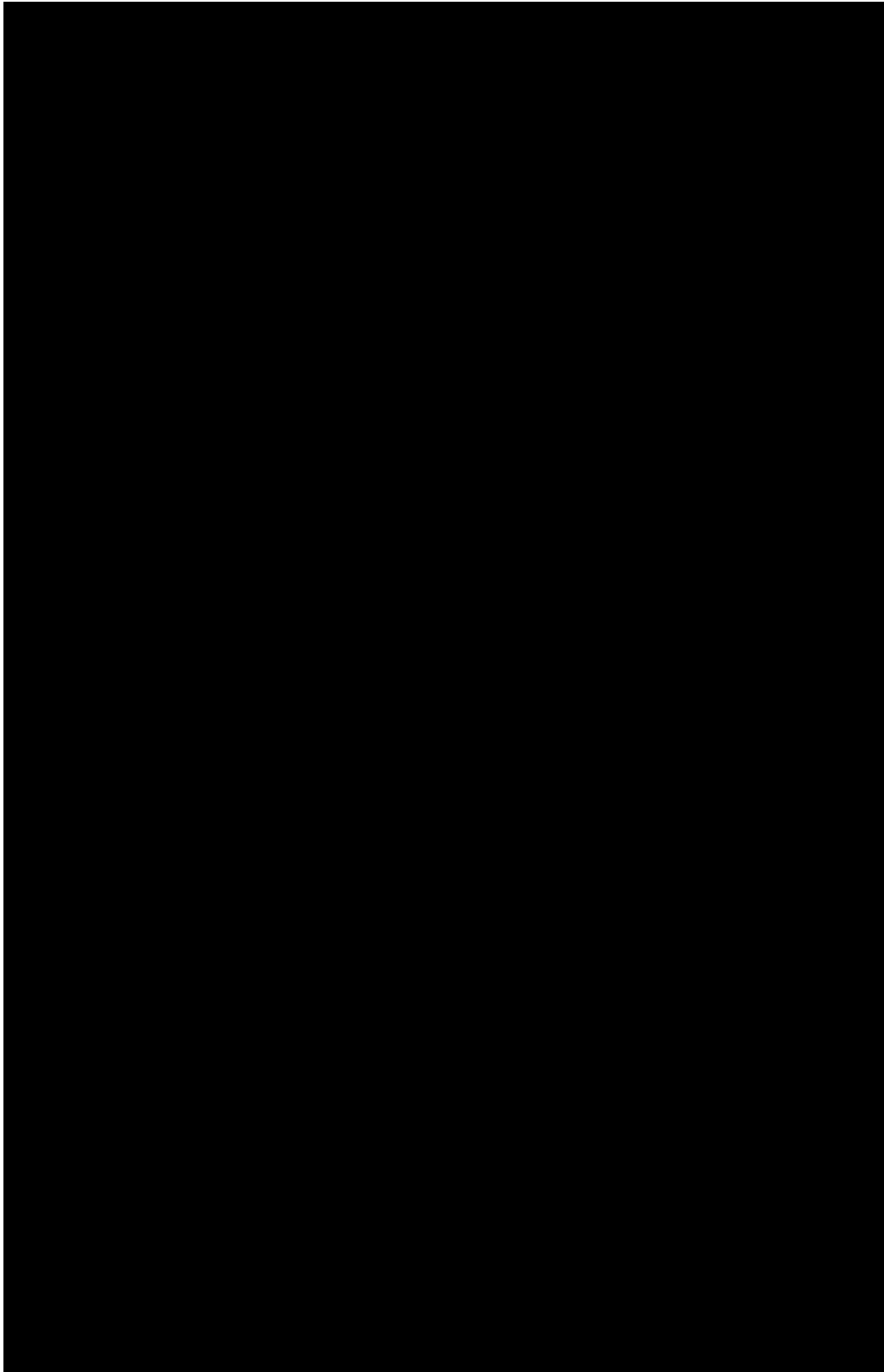
Confidential Council Meeting Agenda

4 September 2025



Confidential Council Meeting Agenda

4 September 2025





APPENDIX

Comparison between 2022 LTP budget and current 2025 budget

| Project Estimate - TPWWTP |   |                   |                       |
|---------------------------|---|-------------------|-----------------------|
| Item                      | Description                                     | LTP Budget (2022) | Current Budget (2025) |
|                           | <b>Pre-implementation Phase</b>                 |                   |                       |
|                           | - Consultancy Fees                              |                   |                       |
|                           | - WBOPDC Managed Costs                          |                   |                       |
|                           | <b>Total Pre-implementation</b>                 |                   |                       |
|                           | <b>Implementation Phase</b>                     |                   |                       |
|                           | - Consultancy Fees                              |                   |                       |
|                           | - WBOPDC Managed Costs                          |                   |                       |
|                           | - Construction Monitoring Fees (MSQA)           |                   |                       |
|                           | <b>Total Implementation Fees</b>                |                   |                       |
|                           | <b>TP WWTP Physical Works</b>                   |                   |                       |
| 1                         | Environmental Compliance                        |                   |                       |
| 2                         | Enabling and Temporary Works                    |                   |                       |
| 3                         | Earthworks                                      |                   |                       |
| 4                         | Ground Improvements                             |                   |                       |
| 5                         | Structures                                      |                   |                       |
| 6                         | Buildings                                       |                   |                       |
| 7                         | Civil Underground                               |                   |                       |
| 8                         | Civil Above ground                              |                   |                       |
| 9                         | Mechanical                                      |                   |                       |
| 10                        | Electrical                                      |                   |                       |
| 11                        | Commissioning                                   |                   |                       |
| 12                        | Preliminary and General                         |                   |                       |
| 13                        | Contractors Design                              |                   |                       |
| 14                        | Offsite Overhead and Profit                     |                   |                       |
| 15                        | Contractors Risk                                |                   |                       |
| 16                        | Unscheduled Works and Provisional Sums          |                   |                       |
|                           | <b>Subtotal TPWWTP Project</b>                  |                   |                       |
| 17                        | <b>Northpower Cable Upgrade and Trasnformer</b> |                   |                       |
| 18                        | <b>Demo Plant and Wetland Conversion</b>        |                   |                       |
|                           | <b>Sub Total Physical works</b>                 |                   |                       |
|                           | <b>Project Expected Estimate</b>                |                   |                       |
|                           |   |                   |                       |
|                           |   |                   |                       |
|                           |   |                   |                       |
|                           |   |                   |                       |

Memorandum

**To** EJ Wentzel & Kevin Stratton, Western Bay of Plenty District Council (WBOPDC)  
**From** Jamie Ferguson  
**Date** 13<sup>th</sup> August 2025  
**Subject** TPWWTP Delay Costs or Retendering costs

Dear EJ & Kevin,

Alta has undertaken an independent review of the potential cost impacts and risks associated with either deferring the award of the Te Puke Wastewater Treatment Plant (WWTP) Upgrade contract or retendering the project under a Design & Build procurement model.

DIRECT DELAY COSTS

A deferral of Contract Award by 6 months will likely incur approximately \$1.4 million dollars comprising of the below as well as several additional risks that are unquantifiable at present.

| Category                                   | Description   | Estimated Cost (NZD) |
|--|---|----------------------|
| Construction Escalation Costs              |   | \$1,070,000          |
| Additional Contractor Costs                | Repricing and validation of final bid; allowance for 2 personnel over 2 months. | \$120,000            |
| Additional Consultant Fees                 | Revalidation of new pricing in line with cost escalation and ongoing liaison.   | \$40,000             |
| Additional WBOPDC Internal Costs           | Ongoing liaison and project management over a 6-month delay.                    | \$120,000            |
| Potential Resource Consent Extension Costs | Further amendments and extension of approvals.                                  | \$50,000             |
| Total Estimated Quantifiable Costs         |   | \$1,400,000          |

Further risks of note that are not quantifiable at the present time.

- Further repairs and renewals to existing assets.
- Loss of current contractor knowledge due to key personnel moving to other projects.
- Foreign exchange cost fluctuations.
- Regulatory or legislative changes.
- Increased contractor costs if earthworks commence in winter.
- Risk and delays associated with obtaining winter works approval.
- Volatile market conditions due to multiple large NZTA projects competing for resources, potentially driving further cost escalation

## Confidential Council Meeting Agenda

4 September 2025

**PROJECT RE-TENDERED UNDER A DESIGN BUILD CONTRACT**

The assumption is a Design and Build project would continue. Retendering the project would likely defer the project approximately 13 months until Contract award and incur nearly \$5 million dollars plus increase in risk to additional costs that are unquantifiable at present.

| Category                                  | Description  | Estimated Cost (NZD) |
|---|--|----------------------|
| Procurement – Preparation & Evaluation    |  |                      |
| Procurement – Tender Stipends             |  |                      |
| Construction Escalation                   |  |                      |
| Contractor Tender Costs                   |  |                      |
| WBOPDC Internal Costs                     | Ongoing liaison and project management at \$20K per month for 13 months. |                      |
| Resource Consent Extensions               | Additional amendments and extensions.                                    |                      |
| <b>Total Estimated Quantifiable Costs</b> |  | <b>\$4,960,000</b>   |

Further risks of note that are not quantifiable at the present time.

- Potential claim for contractors internal costs with current Final Bid at an additional [REDACTED] and any other loss of profit or other entitlements pursued
- Legal costs of approximately [REDACTED] to address any claims from Contractor
- Further repairs and renewals to existing assets
- Foreign exchange fluctuations.
- Regulatory or legislative changes.
- Volatile market conditions with several large NZTA projects competing for capacity, leading to further escalation
- Exclusive supplier arrangement with current contractor—proposed technology may be unavailable if contractor does not participate in re-tender.
- Potential shift in solution approach, leading to increased Stage 2 costs

**ALTA**

Level 26 | 188 Quay Street | Auckland 1010

Page 2

---

Confidential Council Meeting Agenda4 September 2025

---

Both scenarios present significant financial implications and unquantified risks. The direct delay option carries an estimated \$1.4M in quantifiable costs, while a full retender is estimated at \$5.0M, excluding further likely claims and market-driven escalation. The decision will need to balance these quantified costs with the higher uncertainty and potential long-term implications of retendering.

Yours sincerely,



Jamie Ferguson  
Alta Consulting Ltd

**ALTA**

Level 26 | 188 Quay Street | Auckland 1010

Page 3

Te Puke Wastewater Treatment Plant – Average Dry Weather Flow Scenarios

