

Business Case Memo

To	Investment Governance Committee (IGC)
From	Rob Stevens
Date	31 May 2019
Subject	Wairere House collections management and exit

1. Purpose

The purpose of this memorandum is to seek endorsement from IGC to exit Wairere House and return the property at 1 Bates Street, Whanganui (the Property) to the Crown for disposal. As part of the exit activities, all collections will be removed from the Property and relocated to suitable premises, ^{out of scope}

This project is a work stream of the Preserving the Nation's Memory programme (PtNM), funded from the *Strengthening the contributions of Archives NZ and National Library of NZ: Preserving the Nation's Memory Budget 2019* initiative.

The project requires a total investment of \$3.684m over two years to deliver the recommended option:

- \$1.410m capital expenditure in 2019/20 funded from PtNM bid, which include \$0.235m contingency (20% of capital investment); and
- \$2.274m operating expenditure funded from PtNM bid (\$1.135m in 2019/20 and \$1.139m in 2020/21).

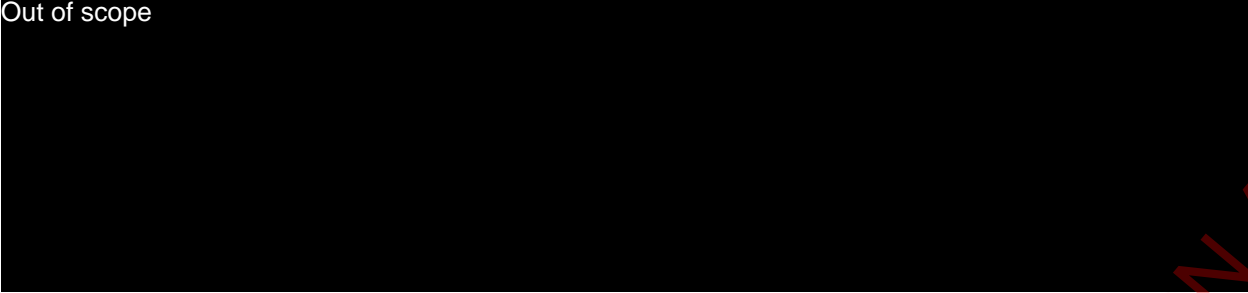
This is a single stage business case.

Out of scope

9(2)(f)(iv)

Out of scope

Out of scope




3. What is the problem to solve or opportunity to maximise?

It is the Department's obligation under the Public Records Act 2005 and section 11(2A) of the National Library of New Zealand Act 2003 to ensure that our documentary heritage is protected and preserved over time, that the risk of loss or damage is reduced, and that it is made accessible to New Zealanders now and in the future.

Wairere House is not in a fit state to protect this documentary heritage. A number of leaks through multiple floors over the last few years have damaged collections¹.

Out of scope



The shelving systems used at Wairere House are not compliant with European Standard EN 16893, resulting in a Health and Safety risk.

Loss of any of the collections at Wairere House would cause considerable loss of confidence in the ability of the NZ Government to safeguard New Zealand's documentary heritage.

3.1. Benefits

The benefits gained from fixing these problems include:

- Improve protection of heritage collections;
 - Increase proportion of building and storage systems that meet archival standards
 - Improve safety of the environment for our people.
- Optimise value for money
- Reduce risk of loss of trust in government.

¹ Agenda Item 5. Wairere House Property Report.doc 13 September 2017

² The seismic rating is 56% of the new building standard (NBS) and 40% of importance level (IL) 3 standards. This is considered below the acceptable level of seismic reliance for contents of high value

4. What are the options?

4.1. Location

A wide variety of location options for holding the re-housed collections were considered, including alternative:

- regional centres
- cities (e.g. Christchurch).

However, the significant additional cost and risk of transporting collections removed Christchurch and other South Island locations from consideration.

The remaining North Island regions suffer from the same issue as Whanganui; that there are no suitable National Library staff available to curate or access the collections when needed. The only staff available are based in Wellington; but Wellington is not suitable as a location for the Wairere House 2°C collections since they are the master copies of the ones available for access in Wellington. For disaster protection, master copies should be held in a different location.

The only other viable location is Auckland, providing that Auckland Archives staff are cross-trained to support the unique nature of the material.

Wellington was considered an acceptable medium-term location for the newspaper collection items, with Rugby House able to create capacity by removing items from the Overseas Published Collections (OPC) which no longer meet the National Library collection requirements.

4.2. Scope

The rest of the options considered were scope related. As Table 1 shows, the shortlisted options differed primarily by quantity of collections removed from Wairere House.

4.3. The options

Option 1. Do Nothing. This was the “do nothing” option of leaving the collections in Wairere House.

Option 2. Complete Exit. The complete removal of all items from Wairere House, which would be returned to LINZ for disposal. Out of scope

This option assumes that the majority of the OPC collection will be disposed of once selected items that meet the current collections policy are identified for retention.

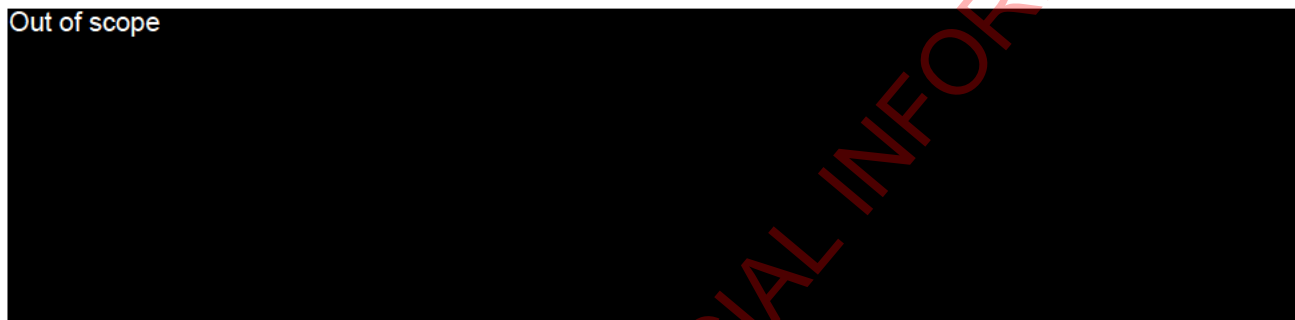
Option 3. Do Minimum. This option only removed the ground floor items from Wairere House. Out of scope

Option 4. Relocate ATL Collections, Retain OPC Collection. This option was added because of the cost of sorting and disposing of the OPC collection. It removes all Alexander Turnbull collections, but allows for the continued storage of the OPC collection on the second floor of Wairere House, and the storage in boxes of the OPC collection items removed from Rugby House in Wellington. This option assumes that Wairere House could still be disposed of as a Government Asset, but that the second floor could be leased back.

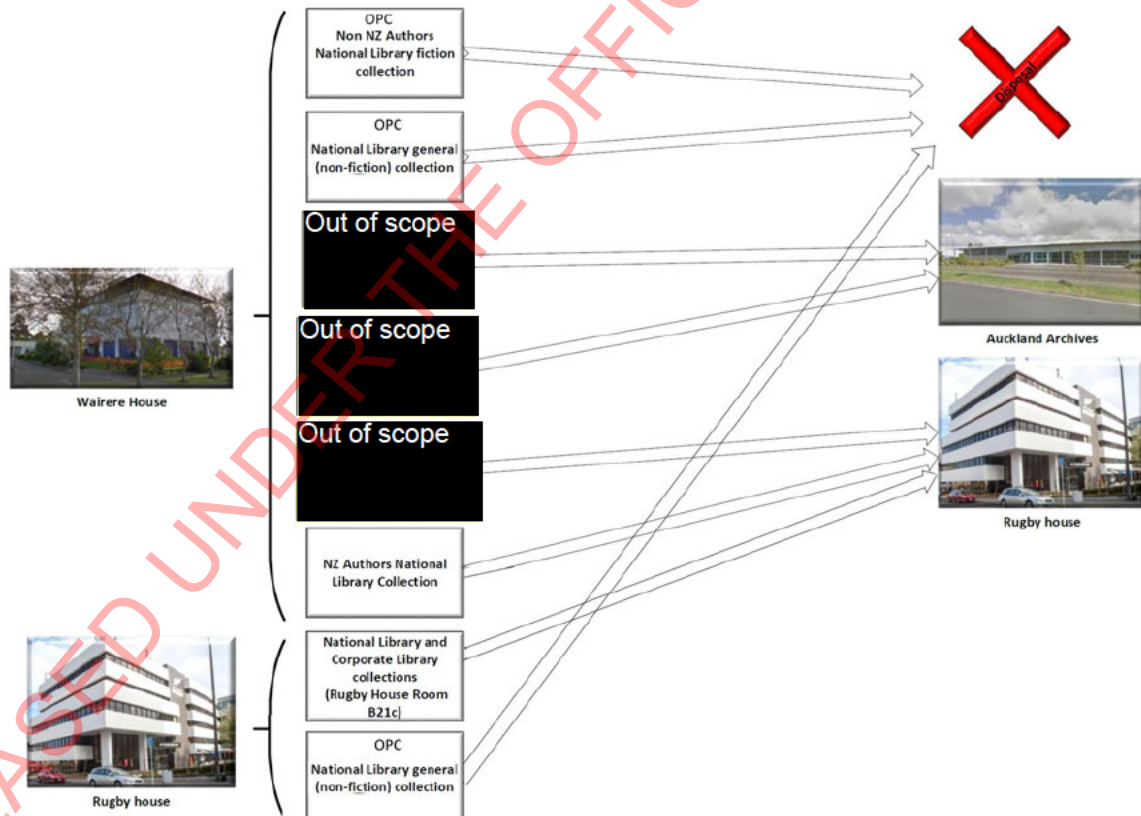
Table 1. Options

	Scope (What)			
	Option 1	Option 2	Option 3	Option 4
	Do nothing - leave all collections in Wairere House	Complete Exit. Remove all collections from Wairere House. Relocate ATL collections, dispose of majority of OPC	Minimum scope. Remove only ATL collections held in Controlled Atmosphere 2 C Room on Ground Floor to Ak Archives new CA room	Remove all ATL collections from Wairere House. Retain NL OPC Collection on 2nd floor
Wairere House Floors Vacated				
Ground Floor		✓	✓	✓
First Floor		✓		✓
Second Floor		✓		part

Out of scope



Wairere House Exit Strategy



Out of scope

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Out of scope

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Out of scope

5.2. Cost -benefit analysis

The cost benefit analysis for the four options is detailed in Table 2.

Table 2. Cost Benefit Analysis of Options

Economic case - Potential value for money		Option 1	Option 2	Option 3	Option 4
		Do nothing	Complete Exit and Dispose of Majority of OPC Collection (Preferred)	Out of scope	Out of scope Move OPC Collection out of Rugby House back to rented floor at Wairere House
Key Outputs	Unit				
Analysis period	years	10	10		10
Capital cost	\$	3,860,000	1,410,259		1,410,259
Whole of life costs	\$	3,939,489	4,121,006		4,298,039
Cost-Benefit Analysis of monetary costs and benefits at the Public Sector Discount Rate of 6%					
Present value of rental received	\$	-	-		-
Present value of total costs	\$	(3,939,489)	(4,121,006)		(4,298,039)
Benefit Cost Ratio	x : 1	0x : 1	0x : 1		0x : 1
Net present value (NPV)	\$	(3,939,489)	(4,121,006)		(4,298,039)
NPV rank	Out of 4	1	2		3

Option 2 (Complete Exit) is the best value for money of all the exit options reviewed. Although **Option 1 (do nothing)** looks like a better value for money option, it carries a significant risk that building repairs and maintenance would exceed current estimates over the next ten years, and if it was assessed over a longer term than 10 years, it would quickly become the higher cost option due to ongoing costs.

If the sensitivity of the cost-benefit analysis is reviewed, it can be seen that a 10% variation in costs would eliminate any significant difference in whole of life costs between options 1, 2 and 4.

Table 3. Sensitivity of Financial Analysis

Sensitivity	Option 1	Option 2	Option 3	Option 4
Whole of Life Cost	3,939,489	4,121,006	5,316,037	4,298,039
Low range @ 10%	3,545,540	3,708,905	4,784,433	3,868,235
High Range @ 10%	4,333,438	4,533,107	5,847,641	4,727,843

Options were also assessed against the investment objectives of: improve protection of collections, reduce risk of loss of trust in government, and optimise value for money. Critical Success Factors were considered, including whether an option was in line with The Departments and Government Strategy, Value for Money, Level of Risk, Capability to Deliver, Affordability and Achievability. The assessments made by members of the Wairere House Collections Steering Committee are shown in Table 4 below.

Table 4. Options Assessment

	Scope (What)			
	Option 1	Option 2	Option 3	Option 4
	Do nothing - leave all collections in Wairere House	Complete Exit. Remove all collections from Wairere House. Relocate ATL collections, dispose of majority of OPC	Minimum scope. Remove only ATL collections held in Controlled Atmosphere 2 C Room on Ground Floor to Ak Archives new CA room	Remove all ATL collections from Wairere House. Retain NL OPC Collection on 2nd floor
Wairere House Floors Vacated				
Investment Objectives				
Improve protection of heritage collections	no	yes	partial	yes
Reduced risk of loss of trust in government	no	yes	partial	yes
Optimise value for money	no	yes	no	yes
Critical Success Factors (Must Meet)				
Strategic Fit and business need	no	yes	yes	no
Value for Money	no	yes	no	yes
Acceptable Risk	no	yes	no	yes
Capability and capacity to deliver	yes	yes	yes	yes
Affordable	no	yes	no	yes
Achievable	yes	yes	yes	partial
Whole of Life Cost (10 year)	\$3.9 M	\$4.1 M	\$5.3 M	\$4.3 M
Capital Cost	\$3.9 M	\$1.4 M	\$4.4 M	\$1.4 M
		preferred		

Option 2 Complete Exit from Wairere House is the *Preferred Option*. It delivers the best protection for the heritage collections and trust in government, as well as being the lowest risk option since the new storage environments meet workplace safety standards. It is the best value for money option that meets organisation requirements and supports property group strategy.

6. Procurement and commercial arrangements

The arrangements detailed below relate to the preferred Option 2 Complete Exit.

6.1. Required outcomes

The sourcing strategy for the Architect, Contract Project Manager and Change Manager was approved by the PtNM Board, and appointments have either been made or are about to be made. The Collections Relocation Manager will be appointed internally.

The remaining sourcing to be approved includes:

1. Main Contractor – this organisation will build the new insulated room within Auckland Archives, including the air conditioning and cooling components and oversee the contractors providing other components (shelving, electrical, flooring etc).
2. Furniture supplier – to provide and install shelving as per the requirements.
3. Training and Change Deliverables - to develop and deliver training and communications deliverables as outlined in the change plan.
4. Relocation Services – to assist with the physical move to new premises.
5. Disposal Services – for secure disposal.

Each of these requires a different sourcing strategy. These will be documented in the procurement plan produced by the Contract Project Manager, and will be signed off by the PtNM board. The key Contract Project Manager responsibilities are detailed in Appendix E.

7. Deliverables (preferred option)

The project will deliver the following:

Out of scope

- New shelving designed to efficiently and safely house collections. Services to install the new shelving.⁴
- Services to dismantle or move old shelving.
- Packaging boxes. Some temporary until the packed items are unpacked, and some permanent storage boxes that will be used to move and then store collection items.

³ For detailed specifications, refer to the enhanced requirements documented by Stephenson and Turner: [Outline specifications](#)

Out of scope

- Services to pack and move collection items out of Wairere House and to move collections around within Rugby House to accommodate the items coming from Wairere House.
- Services to catalogue or withdraw collection items.
- Services to securely dispose of collection items.
- Change Management, Communications and training collateral and services.

Out of scope

- Floor filling and alignment to ensure shelving tracks can be installed.

Business Requirements for the collections and their final locations are shown in Appendix B.

8. What is the total cost?

8.1. Key financial assumptions

- Life Time of Shelving is 15 years
- Life Time of Buildings and rooms is 30 years
- Analysis Period for Cost Benefit is 10 years
- The book value of the Overseas Published Collection (OPC) is nil
- All options assume an off-set of ongoing costs from rental received from the lease of the top floor to 9(2)(g)(ii). There is a risk that the tenant will move out before DIA has disposed of the building, but this risk exists independently from this project and its options.

8.2. Project budget

This Project requires a total investment of \$3.684m for the recommended option, funded from PtNM Budget 2019 bid:

- \$1.410m capital expenditure (including \$0.235m contingency, being 20% of the capital investment)
- \$2.274m operating expenditure.

Table 5. Project Costs

Project Budget requirements for preferred Option 2			
\$000	2019/2020	2020/2021	Total
	Year 0	Year 1	
Capital expenditure	1,410.3	-	1,410.3
Operating expenditure	1,134.5	1,139.4	2,273.9
Total Project Budget	2,544.7	1,139.4	3,684.1

Detailed project costs are shown in Appendix F.

9. Ongoing costs and benefits:

Ongoing costs of \$2.501m over ten years, made up of other operating (\$0.588m), depreciation (\$1.224m) and capital charge (\$0.689m). Other operating costs (maintenance and utility bills) for the preferred option over a 10 year period is \$0.711m less than the “do nothing” option baseline costs of \$1.299m and represents the benefit of exiting the building. The ongoing costs will continue to be funded from the Property Group baseline.

It is noted that as PtNM (excluding AIMS) only received 2-year funding in Budget 2019, ongoing funding for depreciation and capital charge will be sought as part of the proposed PtNM Budget 2020 submission.

Table 6. Ongoing Operating Expenditure

Total Project and Ongoing Costs for preferred Option 2-Complete Exit and Dispose of Majority of OPC Collection												
	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	Total
\$000	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
Capital expenditure	1,410.3	-	-	-	-	-	-	-	-	-	-	1,410.3
Operating expenditure	1,347.0	1,386.3	242.5	238.1	170.3	165.9	161.5	157.1	152.7	148.3	113.9	4,774.7
Project operating expenditure	1,134.5	1,139.4	-	-	-	-	-	-	-	-	-	2,273.9
On-going operating expenditure	212.6	246.9	242.5	238.1	170.3	165.9	161.5	157.1	152.7	148.3	113.9	2,500.8
Total expenditure	2,757.3	1,386.3	242.5	238.1	170.3	165.9	161.5	157.1	152.7	148.3	113.9	6,184.9
Revenue	-	-	-	-	-	-	-	-	-	-	-	-
Capital funding required	1,410.3	-	-	-	-	-	-	-	-	-	-	1,410.3
Operating funding required	1,347.0	1,386.3	242.5	238.1	170.3	165.9	161.5	157.1	152.7	148.3	113.9	4,774.7
Realisable cash benefits	-	-	-	-	-	-	-	-	-	-	-	-

10. Whole of life costs:

Whole of Life Costs for the preferred option are \$4.121m.

Economic case - Potential value for money					
		Option 1	Option 2	Option 3	Option 4
		Do nothing	Complete Exit and Dispose of Majority of OPC Collection (Preferred)	Move 2 nd Controlled Atmosphere Room to Auckland Archives Building	Move 2 nd CAR to Auckland and ATL Collection to Rugby House, Move OPC Collection out of Rugby House back to rented floor at Wairere House
Key Outputs	Unit				
Analysis period	years	10	10	10	10
Capital cost	\$	3,860,000	1,410,259	4,370,259	1,410,259
Whole of life costs	\$	3,939,489	4,121,006	5,316,037	4,298,039
Cost-Benefit Analysis of monetary costs and benefits at the Public Sector Discount Rate of 6%					
Present value of rental received	\$	-	-	-	-
Present value of total costs	\$	(3,939,489)	(4,121,006)	(5,316,037)	(4,298,039)
Benefit Cost Ratio	x : 1	0x : 1	0x : 1	0x : 1	0x : 1
Net present value (NPV)	\$	(3,939,489)	(4,121,006)	(5,316,037)	(4,298,039)
NPV rank	Out of 4	1	2	4	3
Payback period	years	No payback	No payback	No payback	No payback
Payback period rank	Out of 4	4	4	4	4

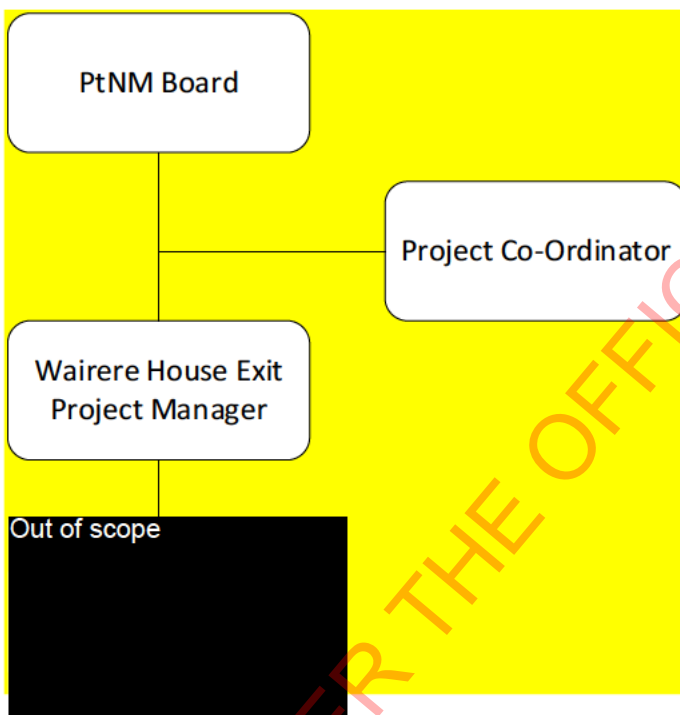
The detailed financials can be accessed [here](#).

11. Preferred option delivery

11.1. Governance

Two Project Managers will work together on the project ^{9(2)(f)(iv)} [REDACTED] the other to manage the collections management and relocation activities required. The project managers would report to the PtNM board as shown in the figure below.

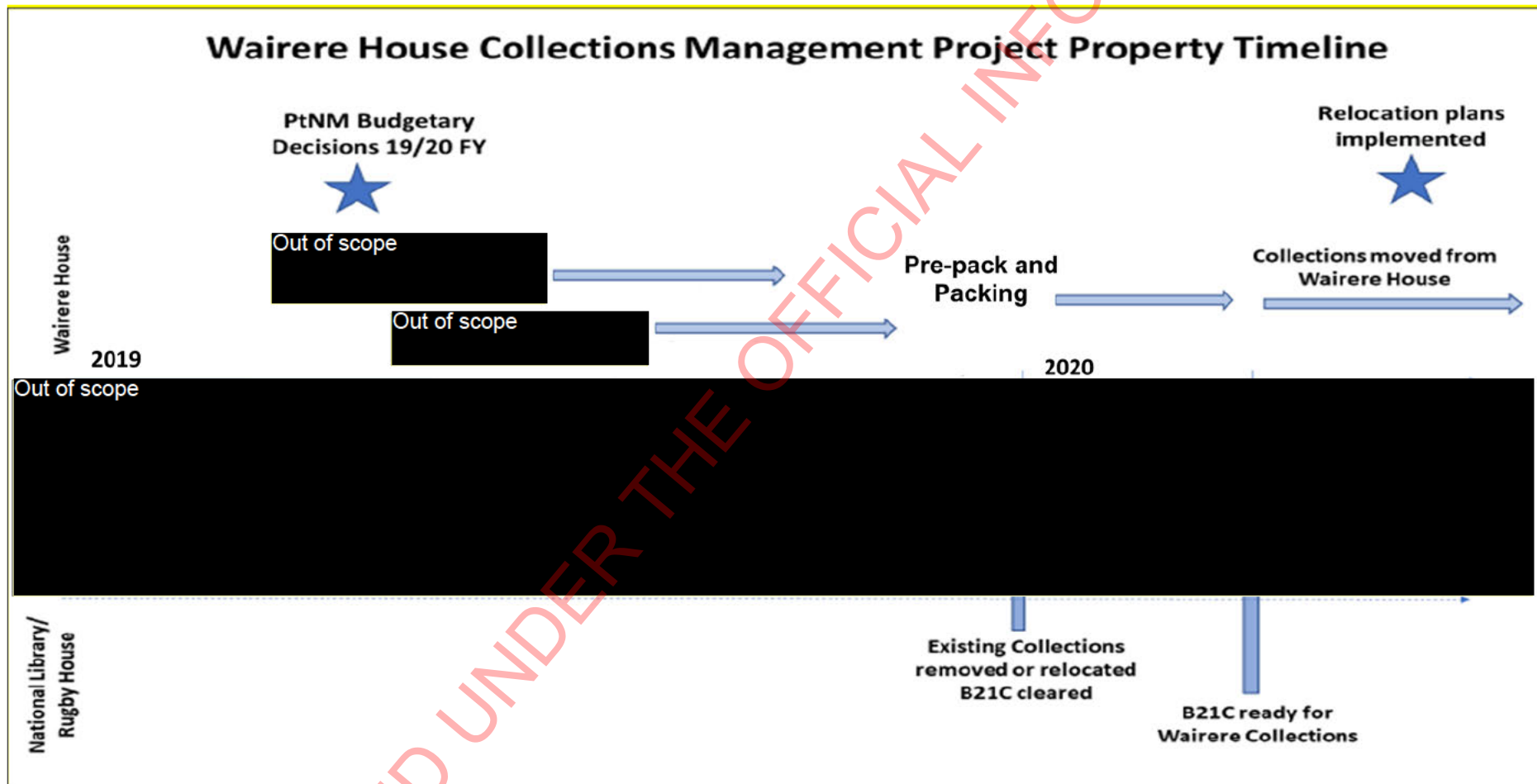
Figure 2. Project Governance



11.2. Project roadmap

The following roadmap was developed with input from members of the Steering Committee and project team. These should be regarded as estimates and will be reviewed once the initial audits are completed. More details and dates are available in Appendix C: Key Deliverables and Milestones

Figure 3. Project Timeline



11.3. Impact analysis

An impact analysis has been completed with members of the Steering Committee⁵. The impact analysis focussed on people, processes, systems and tools, organisational model, management and policy.

There are no major systems or process impacts. People impacts are relatively minor, with one part-time fixed-term employee affected. There are two other employees who currently use Wairere House as an office location, but their jobs are not at risk from the exit of the building. It is assumed it will take up to three years to dispose of the building, so this gives some time for these staff and their managers to come up with alternative remote work place arrangements.

9(2)(f)(iv)

Also, many National Library staff will be significantly involved in the project itself, with a large volume of inventory and catalogue work required as part of the change.

11.4. Key risks and issues

Risks and issues will be documented using the Project Management methodology, and any risks that change status will be reported to the relevant governance group.

Risks

The primary risks⁶ that result from the project and their mitigations are:

- **Negative response by the public** to the disposal of the OPC collection. This will be mitigated by the process of offering the collection to libraries first, and clear communications about the nature of the items marked for disposal).
- **Negative public and political reaction** to divestment from the Whanganui region. This will be mitigated by communication with political bodies with an interest in regional economic, stressing that labour impact is virtually nil, and pointing out that a prime waterfront site will become available to develop with more economically active tenants.
- **Inaccurate estimates** of packaging and removal costs for any taonga not yet identified within the collections, and potential damage to government relationships if not handled appropriately. This will be mitigated during the inventory assessment, when items of likely significance to local iwi are identified, the relevant iwi will be brought in to consult on movement of the item.

Issues

The key issue (and constraint) is the amount of internal staff time available to deliver the collection inventory, packing and cataloguing work. If sufficient staff time is not available, then it is likely that the dates for relocation will slip. This slippage is unlikely to affect Whole of Life Costs because it is assumed that the current costs for Wairere House will continue for three years beyond the date of removal.









11.5. Dis-benefits

The project will reduce the overall storage available to the National Library and could impact on the National Library's ability to collect future heritage items. To offset this, annual savings from the property disposal could be used to contribute to future storage options.

⁵ [Impact Analysis, Stakeholder Engagement Analysis and Plan](#)

⁶ See Appendix D for details.

12. Document approval:

Submitted by	Signature	Date
<p>Rob Stevens Portfolio Director (on behalf of Project Manager)</p> <p><i>I confirm that the project can be successfully delivered.</i></p>		21/06/2019
Recommended for authorisation by	Signature	Date
<p>Arun Patel Chief Financial Officer</p> <p><i>I confirm that the budget estimate is an accurate and reliable assessment of the funding needs for this project and that there is sufficient funding available in the Department pool.</i></p>		24/6/19
<p>Nick Althea Chief Portfolio Officer</p> <p><i>I confirm that the budget request is included in the current portfolio plan and that the proposed approach meets Departmental assurance requirements.</i></p>		24/6/2019
<p>Orsola del Sante-Bland IKS Finance Business Partner</p> <p><i>I confirm that the business group has the on-going operating expenditure to support the capital spend throughout the project and beyond.</i></p>		19/06/2019
<p>Barbara McCallum Manager Commercial Services</p> <p><i>I confirm that the procurement approach is robust and achievable.</i></p>		13/06/2019
<p>Bill Macnaught National Librarian</p> <p><i>I confirm the business case aligns to the National Library and Departmental Strategies and that funding can be provided from within the Group. I authorise the business case to proceed to DCE authorisation.</i></p>		17/06/2019
<p>Richard Foy Chief Archivist</p> <p><i>I confirm the business case aligns to the Archives New Zealand and Departmental Strategies and that funding can be provided from within the Group. I authorise the business case to proceed to DCE authorisation.</i></p>		17/06/2019
<p>Brendon Davies Project Executive</p> <p><i>I confirm that the project fits with Business Strategy, will deliver the defined benefits and that the business case has addressed all risks and issues associated with the project.</i></p>		17/06/19

Authorisation by	Signature	Date
Peter Murray DCE, IKS <i>I confirm the business case aligns to Branch and Departmental Strategies and that funding can be provided from within the Branch. I authorise the business case to proceed to IGC.</i>	Signed via Scan	28/06/2019
Investment Governance Committee (Chair), <i>I confirm the business case has fully addressed all risks and issues, financial viability and aligns with Departmental strategy.</i>		
Chief Executive (if necessary) <i>I confirm the business case has fully addressed all risks and issues, financial viability and aligns with Departmental strategy.</i>		

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Appendix A: Benefits register


Benefit	How will we know when we have achieved it?				Benefit owner
	KPI	Measure	Baseline	Target	
Protection of our documentary heritage for New Zealanders	Reduced number of damage incidents	# incidents where collection items are damaged over 10 years	2 ⁷	0 (2020 to 2030)	Mark Crookston
	Increase the % of collections that meet storage and workplace standards	% of ATL collections held in environment that meets archival standards	5%	To be determined once collection audit is completed	Mark Crookston
		% of ATL collections in environments that meet workplace safety standards	Cabinet area; ~20% of m2 area of WH	100%	Brendon Davies
Optimise Value for money	Reduce ongoing costs	Estimated 10-year ongoing cost to store Wairere House Collection	\$1.229m	\$0.588m	Brendon Davies
Reduce risk of loss of trust in government	Maintain high level of confidence in Government to protect heritage	Public survey (existing)	TBC	No decline attributable to Wairere House exit	Bill Macnaught

⁷ Incident report numbers 2017_04_04, 2016_01_15

Appendix B: Business requirements

A summary of key business requirements for each of the collections is as follows;

Out of scope



National Library Overseas Published Collections (OPC)

Divestment of the items in the OPC stored in Wairere House and Rugby House that do not fit with the current collecting plan will create enough space to store 5-10 years of expected OPC growth **Out of scope**

Environmental conditions required for storage are Standard "2" - a dry environment, free from leaks with air filtering, preferably dark.

⁸ None of the Wairere House shelving meets this standard currently, with significant gaps in Health and Safety requirements

Appendix C: Key deliverables and milestones

Ref	Description	Start date	Dependency	Duration (months)	Due date
Out of scope					
MS04	Fusion Interior Services Limited procurement and relocation standards	1/10/2019	MS02	3	31/12/2019
MS05	WH handed to DIA Property for disposal	1/04/2021	MS21	1	30/04/2021
MS06	Project closure activities complete	1/04/2021	MS21	3	30/06/2021
Out of scope					
NLNZ Overseas Published Collections					
MS09	Rugby House basement - Retrieve OPC collections for retention and reorganise shelving	1/07/2019	-	6	31/12/2019
MS10	Rugby House basement - Remove OPC collections (disposal or deep storage)	1/01/2020	MS09	6	30/06/2020
MS11	Rugby House basement - Remove and dispose of octavo shelving and install new folio shelving	1/01/2020	MS09	6	30/06/2020
MS12	B21C - Move NL collections from B21C to Rugby House basement	1/01/2020	MS11	6	30/06/2020
MS13	Rugby House basement & B21C - Staff set up, label and move shelving in Rugby House	1/07/2020	MS11 to MS12	6	31/12/2020
MS14	Wairere House - Remove OPC collections (disposal or deep storage)	1/01/2021	SS MS21	3	31/03/2021
Out of scope					

Appendix D: Risks and issues

Risks

ID	Date Risk Raised	Description	Consequences (then)	Zone 1 & Zone 2 Unmitigated Risks		Mitigated Score Likelihood Impact	Risk Owner
				Score Likelihood Impact	Mitigation		
R_05	06-12-2018	If public or key stakeholders learn of potential changes to collection management and there is negative feedback on the removal of a large part of the NLNZ Overseas Published Collection.	Then this could result in some damage to public confidence in the Department's stewardship role	Zone 2 Highly Probable Moderate	<p>Create a communication plan explaining the nature of the material, the similarity with other public library book sales that the public is familiar with and the process for requesting some of the items being offered.</p> <p>Key stakeholders and business owners have been consulted and support the decision to reduce the collection</p>	Zone 2 Highly Probable Low	Bill Macnaught
R_14	06-12-2018	If the appropriate cultural logistics of moving tāonga to three new locations and the complexity and number of key stakeholders (staff, iwi and tenants) is not well understood and managed	Then this could result in reputational damage to the Department and the relationships with Iwi could be damaged	Zone 2 Possible Significant	<p>Develop a stakeholder management plan and work closely with all key groups – internal and external.</p> <p>Create a process for identification of likely taonga items and how to consult with iwi as a result.</p>	Zone 3 Possible But Unlikely Low	Peter Murray

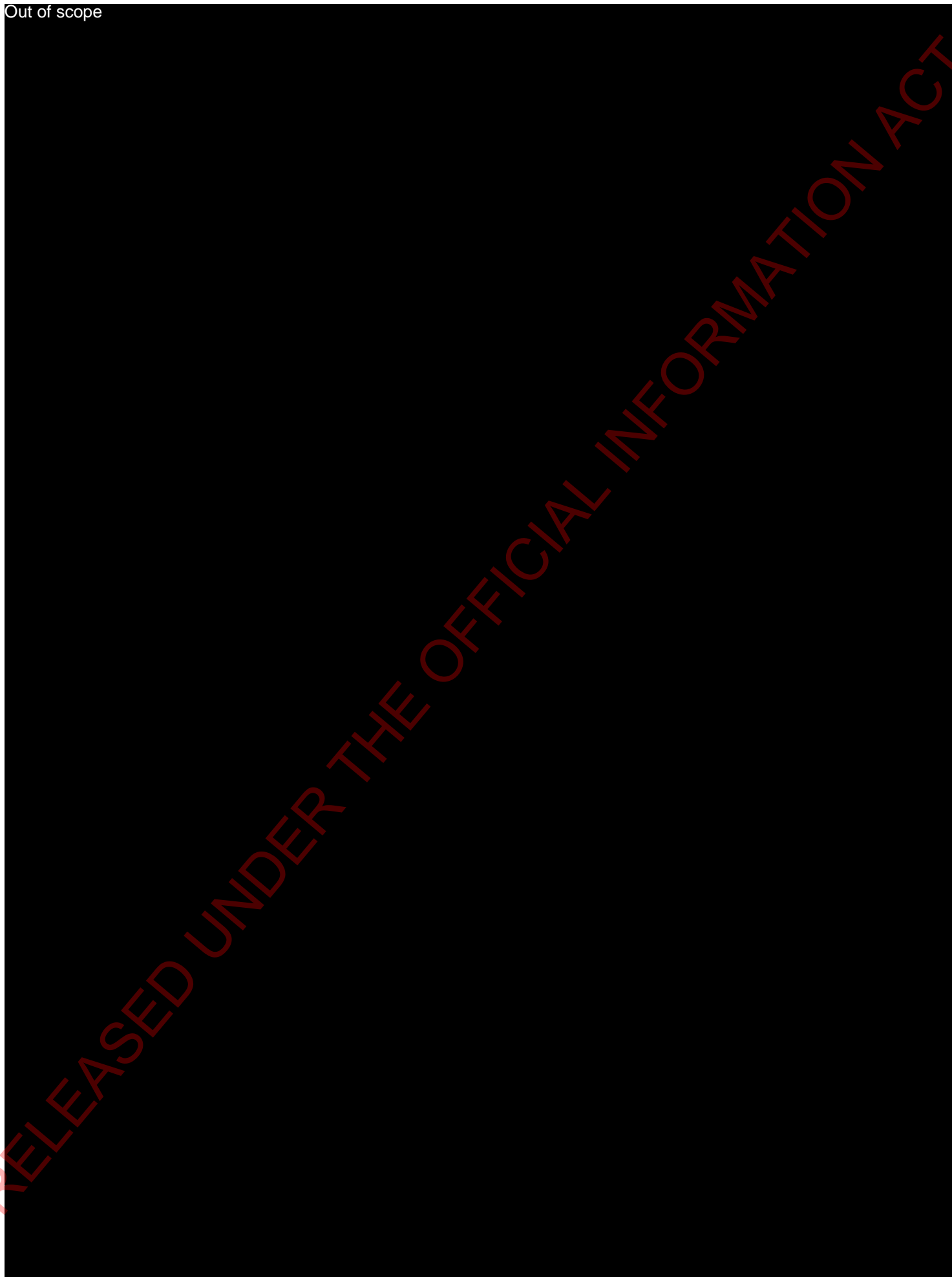
ID	Date Risk Raised	Description	Consequences (then)	Zone 1 & Zone 2 Unmitigated Risks		Mitigated Score Likelihood Impact	Risk Owner
				Score Likelihood Impact	Mitigation		
R_15	06-12-2018	If the relocation out of Whanganui is seen as reducing regional presence for the Department	Then this could result in political disruption to the project	Zone 2 Possible Significant	Ensure this is wrapped up in stakeholder management and communications plan and include a positive spin on the interest in the building being turned into something for the community i.e. large building in the centre of the city	Zone 3 Possible But Unlikely Moderate	Harley Spence
R_12	06-12-2018	If ATL collections are relocated to Wellington this will significantly reduce the capacity for future storage. Note – recorded as a dis-benefit not a risk.	Then the limited capacity will impact on future collecting or storage	Zone 2 Highly Probable Significant	Develop a plan to find other storage options., including PTNM and Rugby House (note cannot be mitigated by this project)	Zone 3 Highly Probable Significant	Chris Szekely

Issues

ID	Date Issue Raised	Description	Impact	High & Medium Severity		Required Resolution Date	Issue Owner	Comment
				Impact Rating	Treatment Plan(s)			
I_01	06-12-2018	Collection management and collection care SMEs are constrained by their BAU commitments and may not be able to complete project deliverables on time	NLNZ is short staffed and the project requirements is putting additional pressure on to limited and stretched SME resource	Medium	Project is recruiting external library assistants and a conservator to support a number of deliverables.	30-06-19	Collection Management PM TBC	Business Managers are working closely with staff to ensure they are managing their priorities and the PtNM work is included in performance plans, so that it is recognised to be of high priority and can be undertaken in place of some BAU commitments. Additional Library Assistants have been recruited to help with the work load.

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Out of scope



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Appendix F: Detailed financials – note from Heather – only anything relating to OPC in these tables is in scope

Project Costs

Budget Year	19-20	20-21
Project Costs		
Capex		
Out of scope		
Fit Out Rugby House and room B21C (Shelving)	500,000	
contingency @20%	235,043	
Project Capex Total	1,410,259	-
Opex		
External Services/Products		
Moving Company	-	300,000
Out of scope		
Property PM 25% 6 months = 225 hr @ \$170/hour	38,250	
Rugby House OPC Disposal	365,000	
Wairere House OPC Disposal		115,000
Legal and Misc consultant fees	50,000	
Internal Staff Time		
Out of scope		
Business PM 12 months @ 75% @100,000pa *30% burder	97,500	
Staff Set up /label/move Shelving in Rugby House		30,000
Retrieving OPC collection items that will stay	158,000	
Moving collections around and out of Rugby House, corporate library out of WH	50,000	
Project Opex Total	1,134,450	1,139,400

Total Project and Ongoing Costs for preferred Option 2-Complete Exit and Dispose of Majority of OPC Collection												
	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	Total
\$000	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
Capital expenditure												
DIA project cost	-	-	-	-	-	-	-	-	-	-	-	-
External vendor costs	1,410.3	-	-	-	-	-	-	-	-	-	-	1,410.3
Purchase of tangible assets	-	-	-	-	-	-	-	-	-	-	-	-
Software	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-
	1,410.3	-	-	-	-	-	-	-	-	-	-	1,410.3
Operating expenditure												
Project operating expenditure												
Personnel	-	-	-	-	-	-	-	-	-	-	-	-
Software maintenance	-	-	-	-	-	-	-	-	-	-	-	-
Internal Staff Time	591.5	513.0	-	-	-	-	-	-	-	-	-	1,104.5
Others	543.0	626.4	-	-	-	-	-	-	-	-	-	1,169.4
Total project operating expenditure	1,134.5	1,139.4	-	-	-	-	-	-	-	-	-	2,273.9
On-going operating expenditure												
Personnel	-	-	-	-	-	-	-	-	-	-	-	-
Other operating expenditures	127.9	93.4	93.4	93.4	30.0	30.0	30.0	30.0	30.0	30.0	-	588.1
Depreciation & amortisation	-	73.3	73.3	73.3	73.3	73.3	73.3	73.3	73.3	73.3	73.3	1,223.9
Capital charge	84.6	80.2	75.8	71.4	67.0	62.6	58.2	53.8	49.4	45.0	40.6	688.8
Total on-going operating expenditure	212.6	246.9	242.5	238.1	170.3	165.9	161.5	157.1	152.7	148.3	113.9	2,500.8
Total expenditure	2,757.3	1,386.3	242.5	238.1	170.3	165.9	161.5	157.1	152.7	148.3	113.9	6,184.9
Revenue												
Revenue Crown	-	-	-	-	-	-	-	-	-	-	-	-
Third party revenue	-	-	-	-	-	-	-	-	-	-	-	-
Total revenue	-	-	-	-	-	-	-	-	-	-	-	-
Capital funding required	1,410.3	-	-	-	-	-	-	-	-	-	-	1,410.3
Operating funding required	1,347.0	1,386.3	242.5	238.1	170.3	165.9	161.5	157.1	152.7	148.3	113.9	4,774.7
Realisable cash benefits	-	-	-	-	-	-	-	-	-	-	-	-