

Business Case – Medium complexity

Project information	
Project name	Auckland Domain - Wintergardens boiler renewal
Sentient ID#	31035
Programme name	PRG Regionwide Parks
Programme Sentient ID #	27050
Project complexity rating (PCAT)	
Author and date	Nina Quintana
Project budget requested and funding source(s)	\$100435.00
Estimated start and finish date	31/Jan/2022 15/Mar/2023

Document control

<Text in grey boxes or <> provides commentary and guidance for drafting purposes only and should be deleted when no longer required.>

Document history

Version	Date	Updated by	Update details

Strategic case (Case for change)

Introduction	
Background	<p>Renewal of the Wintergardens boiler unit</p> <p>This project has originated via wider budgets Te Tahua Pūtea Tau 2021-2031 (10-year Budget 2021-2031). General renewal budgets/development budgets.</p> <p>The Energy Efficiency and Sustainability Team within Community Facilities are currently exploring sustainable and more environmentally conscious replacement options. This boiler has been included in a wider project to ascertain and implement replacement options across Community Facilities assets. It is anticipated that delivery will begin in the third quarter of this financial year.</p>
Opportunity/problem	<p>[Give evidence-based facts (where possible) for the problem/opportunity to demonstrate baseline and impact it would have, i.e. current state, what problem is to be addressed and what would happen if we were to continue status quo? Future state what would happen if we progressed an opportunity to change?</p> <p>For example, asset assessment report, local board LDI project, etc.]</p>
Objectives	<p>Reduced Council wide GHG emissions and reduce increased utility costs by phasing out gas use</p>

Business Case – Medium complexity

Introduction	
High level benefits	Maintaining current service levels
Alignment to strategy:	
Auckland Plan Outcomes	Our Strategy Goals
Belonging and participation	Deliver within our means
Climate Priorities	Māori Outcomes
No specific priority focus	No specific outcome focus areas
Describe the strategic linkage in more detail here: The focus is on meeting Auckland Councils climate action plan.	
Climate change (adaptation and mitigation):	Reduce Greenhouse gas emissions
Māori outcomes and engagement	
Alignment to existing programmes:	The project is to be completed with the seismic upgrade of the glass houses
Constraints	In planning and delivering the work, there are some general environmental and/or site-specific constraints that require due considerations. Some examples are: - Customers, and usage of the facilities, these will be closed to visitors for the duration of the work - Technology available to replace gas systems
Dependencies	Typical dependencies are: The program and works being undertaken as part of the seismic upgrade.
Assumptions	- Consents are non-notified and approved - Stakeholders are supportive - Programme of works for the project is manageable
Health, safety and wellbeing	At Auckland Council, we put the health and safety of our people and the people of Auckland first. We empower everyone working across the council family to stop work and speak out if they see unsafe work practices. As part of the due diligence process, it is important to regularly monitor and audit the work site(s) using iAuditor, to ensure that all the safety controls that are discussed and agreed to in meetings or written into documentations are put in place and checked to operate effectively. The list below describes specific activities or measures that are key to achieving the safe working environment for the delivery of this Asset Type. - Public open spaces are always open to the public and should be treated with care. Fields are fenced off during works but sometimes it can be impractical to fence off driveways and vehicle movements onto sites. - Transportation is a high-risk activity and contractors should provide

Business Case – Medium complexity

	<p>detailed Site-Specific Safety Plan (SSSP) plans showing where and when vehicles will access a site</p> <ul style="list-style-type: none"> - Plant, excavators, tractors and implements pose additional risk unique to turf work. Only skilled operators should be contracted. - Hand tools (powered and non-powered). Even unpowered hand tools can cause injury. Use of both should be included in SSSP.
High level risks and issues	Example Covid 19 has resulted in work stoppages, increased costs, lack of resources and material shipment delays

Economic case (Determining value for money)

In Scope

Replacement of the gas boiler system with a wood palette burner system

Out of scope

Seismic upgrade has been initiated as a stand alone project and is being completed.

Service change assessment

Service / process description	Proposed change & impact
Will this initiative cause a change to a service or process e.g. adding an additional service, changing or removing an existing service?	Limited to the change in utility supplies

Outline options analysis

Option	Description
<Option 1>	Like for like renewal – is not an option
<Option 2>	System and technology which will deliver on GHG reduction
<Option 3-5 etc.>	

Description (click here for CBA worksheet)	Option 1: Do nothing	Option 2:	Option 3:	Option 4:
Appraisal period (years)				
Implementation cost (\$000)				
Whole of life cost (\$000) (ongoing consequential opex, disposal cost, plus implementation cost)				
Cost Benefit analysis: The benefits are focused around the delivery of the Auckland Council climate plan and reduction of GHG.				
Financial benefits and costs (excluding depreciation)				
Net present value of benefits (\$000)				
Net present value of costs (whole of life) (\$000)				
Net present value (\$000)				
Non-financial benefits				
Benefit 1				

Business Case – Medium complexity

Benefit 2				
Benefit 3				

Preferred option
The introduction of a system which uses a renewable energy source for heating, ie wood pallet burner

Benefits tables

Benefits and dis-benefits									
Category	Sub-category	Type	Metric	Benefit statement	Benefit Description	Benefit Measure and Method	Source of data or cost centre/GL code	Baseline	Expected benefit and date(s)
Non-financial	Benefits to Communities	Maintaining level of service	Count/Number	Maintaining current service levels					TOTAL
		AC Strategy	100 tones CO2e	GHG reduction	Meeting Council objectives	GHG emissions reductions levels			100 tones CO2e
Benefit owner & Role				Benefit Reporter					

*Note: If there are additional benefits, add extra rows, with a Benefit owner signature line after each benefit.

Non-quantifiable Benefits and additional information
Sustainability linked loans require emissions reductions targets to be met

Commercial case (Procurement of preferred option)

Detailing the procurement strategy
Market engagement focusing on suitable suppliers Liaison with the FFM for future operational matters, wood pallet deliveries and use

Risk Description	Mitigation	Date Identified	Owner
Example Covid 19 has resulted in work stoppages, increased costs, lack of resources and material shipment delays	Covid 19- delay of supplies	18/11/2022	Nina Quintana
Issue Description	Resolution	Resolution Date	Owner

Business Case – Medium complexity

Financial case (Affordability & funding)

Financial analysis

Please complete the financial analysis spreadsheet and use the output to complete this table	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026-28	Total
Capital expenditure						
Operating expenditure						
Total expenditure						
Consequential operating expenditure						
Financial benefits (revenue/cost reduction)						
Net ongoing cost						

<Please attach the financial analysis spreadsheet as an appendice.>

Financial sources

<Specifically, how is this initiative being funded i.e. is part of it from existing BAU? New or additional funding request or LTP allocated funds? Is there any other external party funding involved? Are other departments within council also contributing a portion from their own BAU budget?

>

Contingency

<What contingency is included in the above costs. This is calculated by individual projects and is based on risk.>

Management case

Change Impact Assessment

For scoring assessment guideline, please refer to "[Change impact assessment matrix](#)" in **Kotahi**

<If you scored 1 extreme or 2 High or 3 Medium, you'd need to engage a "Change Manager">

Impact Assessment	Impact (Low, Moderate, Medium, High, Extreme)
Size of the change	
Complexity of the change	
People increase/reduction change	
People – skills, training, new ways of working	
System change	
Process change	
Organisation structure change	
Culture change	

Change management

The <name of programme/project/initiative> will follow [Auckland Councils Change Management Framework](#).

We make sure we **do the right change** and that solutions are positive for employees and Aucklanders

We **build trust** by collaborating with and **involving those affected** in decision making

We **share** ideas and plans and ask for feedback **early and often** so people can choose to **help create the future**

We make sure those affected clearly **understand why** the change is needed and **what it means** for them



The [change management plan](#) will need to be completed in the plan phase, if applicable.

Stakeholder engagement

Business Case – Medium complexity

Key stakeholders		
The following stakeholder groups will be impacted by this change in the following ways:		
Stakeholder name / group / contact	Evidence of collaboration / impact assessment	Agreed outcome
Limited to no impact since the facility is undergoing seismic works		

The [stakeholder engagement plan](#) will need to be completed in the plan phase, if applicable.

Outline project plan

Outline project plan		
How will this project be delivered, by who and when?		
Deliverable(s)	Delivered by	Date due
Design build	Selected supplier	

Health and safety

This project is expected to < include / not include > design or modification of an existing asset, as such the requirements of Safety in Design will apply/not apply to this project.

There is legal responsibility on Auckland Council (as the ‘Person Conducting a Business or Undertaking’) to ensure, so far as is reasonably practicable, the health and safety of workers and other persons over the life of the asset.

The following health and safety related risks were identified in the option assessment relating to this project which will need to be considered for elimination or where not able to be eliminated to be minimised.

Option	Health and Safety Risk	Project Phase
	Risk associated with the removal and installation of the new system	

Approval and acceptance

Handover activities
The following activities and documents will be handed over once acceptance criteria have been met: < Designs, procedures, registers, maintenance manuals, templates, as built materials, post-project benefits monitoring and realisation activities, post project evaluation etc. (attach any relevant documentation to appendices)>

Governance sign off	Name	Signature to endorse	Date	Comment
I agree that the potential costs/benefits identified are realistic, and the low complexity delivery path reflects PCAT findings and approve and or endorse the project to continue for funding.				
Financial Manager / Commercial Manager				
Project sponsor	Martin Wong			
Business owner	Julie Pickering			

Business Case – Medium complexity

Benefit Owner				
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SME endorsement <i>If applicable</i>	Name	Signature to endorse	Date	Comment
Eg. Change, legal, financial transactions, governance, communications etc				

Advisor/stakeholder endorsement	Name	Signature to endorse	Date	Comment

Appendices

Appendices
Appendix A: Project Carbon and Cost performance