

Waitakere City Council

WAITAKERE CENTRAL

*NEW ZEALAND POST
PROCESS MANAGEMENT AWARD*



Waitakere City Council
Te Taiaro o Waitakere

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NEW ZEALAND SOCIETY OF LOCAL GOVERNMENT MANAGERS



INTRODUCTION FROM THE MAYOR



Waitakere Central is a symbol of what can be achieved when people invest enough willpower, vision and skill to bring about change: in this case, change in the way cities are built. It symbolises the progress that Waitakere has made—and will continue to make— in becoming New Zealand’s first “city for the 21st century”. It makes no sense to build for the 21st century, using ideas developed in the 1800s or the 1900s, at best. The only answer is to look to what technology, highly developed process management capability and know-how of today offers us and to use it to build for the future.

Waitakere started this trend in 1992 because someone had to show the way. Today the point is proved throughout this transformed city. It is only a start, but a start that is being copied. The trend has begun and it will become the new norm.

The City is justifiably proud of the outstanding implementation of this new facility which is already having a positive impact on its staff and customers, its transportation infrastructure and the Henderson area in which it is located.

Bob Harvey QSO, JP
Mayor

OPENING WAITAKERE CENTRAL

“This complex is in itself a powerful statement about the importance of sustainability – in its design and in its location.

It’s intended to be a catalyst for redevelopment and new investment north of the rail tracks. It links with Henderson’s retail and commercial districts, the railway line, and the Corban Estate Arts Centre to make a single compact city centre.”

Helen Clark
2 September 2006



BENEFITS & MEETING THE VISION

The vision: Waitakere Eco City

In 1992, the Earth Summit at Rio de Janeiro, in its Agenda 21 Plan, stated principles for global and local action for environmental responsibility and commitment. The new Waitakere City adopted these principles in its Waitakere Eco City vision for a sustainable and dynamic City that honours its environment, celebrates its people and builds on its cultures and heritage. Therefore its own activities must follow these principles.

Conception of Waitakere Central

After the amalgamation of the four councils of Waitemata, New Lynn, Henderson and Glen Eden, Waitakere City Council commenced operations from the old Waitemata City Building located in the suburbs of Henderson and over the next decade or so operations expanded to 8 leased premises in the vicinity. In 2003, with several of the leases due for renewal, a decision needed to be made—to expand the existing civic centre or to relocate.

Important drivers were operational efficiency and the desire to look at how Council could have a more positive strategic impact on the City, and better serve its customers by consolidating fragmented service centres into a “one-stop-shop” concept. The question for Council was where it saw the optimal balance between capital costs to the Council and economic, environmental and social benefit to the City and community as a whole. In strict financial terms, redevelopment of the existing site was preferable, but in triple bottom line terms, relocation to one of the major town centres in the City was a better decision.

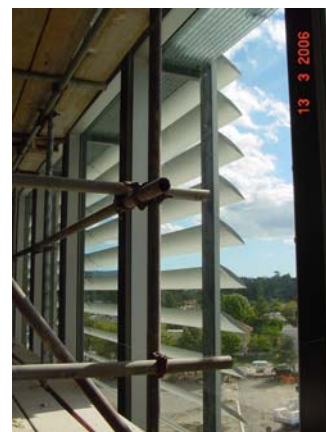
The decision was made to relocate to Henderson. It is the City’s most centrally located town centre, and is a key centre in its urban strategy. It is located on the rail corridor and has the largest percentage of retail floor space and community facilities. There has been significant recent investment there, notably at Westfield’s West City Mall, Waitakere Gardens, Council’s Aquatic Centre, the Henderson Library & Unitec campus and the Henderson Valley Film Studios. With significant opportunity for further development and re-development within the Henderson Town Centre, it was essential to ensure Henderson consolidated its critical position as a key working environment which promotes employment locally, furthering Council’s vision in creating a sustainable city.

Development of the rail corridor as a key part of the public transport network within Waitakere City has long been a strong policy of this Council. Integration of the new Civic Centre with the new Henderson transport interchange assisted the Council in meeting its key strategic priorities as well the goals of the Regional Land Transport Strategy and the Regional Growth Strategy.

Meeting the vision

Waitakere Central has met the City’s vision through:

- Creating a safe and prosperous city centre
- Reducing car travel to Henderson
- Utilising renewable forms of energy
- Integrating with artwork and landscape values
- Energy efficiency
- Sensitive management of storm-water



Key benefits

- Enhanced service delivery to customers through the one-stop-shop concept and the drive through service facility
- Integration of the civic centre with the transport interchange
- Support for public transport use and associated environmental benefits
- Increased local economic development impacts in the Henderson Town Centre and across the broader city
- Meeting the goals of sustainable development that requires all major projects to demonstrate ongoing social, environmental and economic benefits for current and future communities
- Efficiencies through consolidation of operations on one site

EFFECTIVE PROJECT MANAGEMENT TECHNIQUES

Best practice principles

Delivery of a new quality office facility and transport interchange matching the Council’s strategic vision and meeting all its accommodation needs, on time, within budget, to an affordable quality and meeting stakeholder expectations, utilised the application of best practice Project Management Body of Knowledge (PMBOK) principles.

Peer reviewed project governance

A clear project governance structure was set in place by the Council. An independent peer review was commissioned by the Council early in the programme to provide assurance that its decision to manage the project with its own resources had been established on a sound, best practice platform with appointment of appropriate calibre resources.

Project control and reporting

Council’s Projects Special Committee was tasked to provide oversight of the project implementation while remaining independent from the day to day management, which was undertaken by a Project Sponsor and a Project Manager with advisement from a Project Control Group (PCG). The PCG comprised selected staff with backgrounds covering all identified elements of the project. The PCG received independent advice as needed from specialists (Communications, Design, iwi, Planning, Risk Management, Quantity Survey, Legal Advice, Arts Advice). A Design Control Group was formed from selected PCG members and consultants (including an iwi architect) to overview the design process.

To ensure transparency in reporting, formal status reports were presented monthly to Council’s Projects Special Committee updating status of design and construction activities, timeline, finance, risks, quality and health and safety.

TBL-based project planning

A comprehensive triple bottom line (TBL) business case balancing economic, social and environmental factors, was prepared for the project, appropriately peer reviewed, and approved by the Elected Council. From this document, a detailed Project Plan was developed outlining project objectives, governance structures, reporting procedures, risk and stakeholder management and the roles and responsibilities for key management positions. A Project Brief was developed and broken into defined scopes of services.

Value engineering

Waitakere City Council takes pride in its focus on value engineering in all its construction projects, to ensure that best value outcomes are achieved. Council's staff have developed processes to ensure that strong focus is maintained on value engineering throughout the design and construction phases of its projects. These processes were evidenced in clauses included in procurement contracts and workshops held to identify potential value engineering opportunities on a register. Regular fortnightly reviews of the register were held to track status and to identify further value engineering opportunities.

Risk management

Comprehensive risk planning was undertaken and a risk register established. During the course of the project life cycle risks were identified, treated or eliminated together with ongoing monitoring and review taking place.

Stakeholder management

Council implemented its strategy that for significant public sector projects stakeholder management should be a 10th knowledge area of PMBOK. This is different from communications management.

Points of difference

- Project Management by Council's internal resources.
- TBL Business Case developed, peer reviewed and approved by Elected Council.
- Governance structure established and peer reviewed.
- Regular reporting to a formally appointed Council Committee.
- Specialist advice for key identified risks.
- Regular project 'health audits/checks'.
- Value engineering and risk management managed in structured processes.

STAKEHOLDER PARTICIPATION & BUY-IN

Effective stakeholder management

External stakeholder management was identified as a significant issue, due to the large numbers of stakeholders which included iwi, and the town centre residents and business groups. Integration with the public transport network involved groups such as: Ontrack, ARTNL, ARTA, LTNZ, bus companies and taxi companies.

A communications plan branded "Its Time to Have a Heart in Waitakere City" was professionally developed specifically to provide effective communication with these groups.



Stakeholder participation matrix

To ensure stakeholder buy-in to the project, all identified stakeholders were compiled into a schedule containing their respective roles and responsibilities. Their degree of influence was recorded for each of the stages of the project (concept phase, design development, procurement, construction, commissioning and operations).

Stakeholder key interests, expectations, and anticipated benefits/ conflicts were managed through the Stakeholder Participation Matrix which provided information on their levels of importance, influence and timing/phase of the project. This identified where they would require communication, information or provide feedback and/or decisions.



Ensuring staff buy-in

Internal branding for staff was provided under a slogan known as "On Da Move". This included an intranet web site on which current events and photographs of the construction were displayed. An email address under the same slogan encouraged staff to voice their thoughts and suggestions and this made staff feel that they had a say in the design process from the outset. Many of the staff suggestions from this site were incorporated into the facility. This process played a significant role in resulting staff satisfaction levels.



Highlights to maximise buy-in

- Information pack "Its time to have a heart" was distributed within the city at concept. Posters advertising moving days were highly visible in all reception areas, libraries and community centres. Notifications were added to rates notices.
- Elected members were involved in the project through formal meetings and workshops.
- Through early stakeholder participation, staff were able to identify space/accommodation requirements that would provide for future growth, efficiencies and co-location of sections/units.
- Site visits were arranged to familiarise staff with the site. Family open days were held where staff and families were given a guided tour of the site together with refreshments and games.
- Orientation was held on site, which included emphasis on new systems (phones, follow me printers) and a tour of each staff member's new work space.
- Council's screen saver showed a real time clock countdown to "Da Move" as well as current pictures of the site under construction. "Da Move" was put on the agenda for every team meeting up to and post the move.

INNOVATION AND ORIGINALITY

The Waitakere Central project has been recognised by the Council as an outstanding process management success, evidenced by the fact that it was implemented within the approved budget and timeframe set by the Council, as well as recognition of its quality by the New Zealand Property Council in the form of two 'Excellence' awards received in June 2007. Further recognition is evidenced by a post-occupancy staff survey achieving 82% satisfaction, exceeding the 70% performance target set by Council.

At the annual Creative Places Awards ceremony in 2007, the Waitakere Central Civic Centre, Central Library and Streetscape projects recently won both the Built Environment Category Award as well as the overall Premier Award for 2007 in recognition of Waitakere City's outstanding investment in the Arts of NZ.

Collaborative teamwork breeds success

The Council's concept of design by collaboration was strongly reinforced at every opportunity, starting with the introduction of 'Team Collaboration' as a non-priced tender attribute for professional appointments. Evaluation of this attribute incorporated a panel interview with the entire multidisciplinary design team. This collaborative design umbrella brought together vital elements of architecture, engineering, art, local culture, accessibility, environment, energy, business, school and transportation, harmoniously integrated into a representative public facility.

Relationship strengthening occurred through team building activities such as BBQs and mountain biking which enhanced the positive attitude of the project team members.

Collaboration, which was strongly reinforced through regular design meetings to maintain the initiative, played a significant role in the successful outcome of this project.



Transparency in action

A key goal was to ensure transparency of operations. As the largest construction project ever undertaken by Council by a significant margin (over \$40 million), it was perceived that the project carried a higher level of risk exposure than was usual. To provide assurance and mitigation of risk, the Council Projects Special Committee overviewed the construction and ensure transparency of process throughout the construction period. This committee provided a close link between decision makers and works on the ground and considerably enhanced communications. This new but now proven process of assurance and transparency has led to the same reporting process being adopted for all Council's significant projects.

Procurement process fit for purpose

The physical works procurement process for this project in mid 2004 occurred in an extremely heated construction market in the Auckland region. A number of Council's other recent projects, which had been publicly tendered in the conventional manner, had failed to attract market related tender prices. Leading contractors, who were canvassed in New Zealand and Australia, indicated a distinct reluctance at that time to commit sufficient resource to provide a market-related tender. The contractors stated that they had secured sufficient work through direct negotiation and had full order books for the following year and questioned why they should spend up to thirty thousand dollars for typically a 1:5 chance of winning a tender.

The canvassed contractors either stated that they were not prepared to submit a tender or would price their tender with minimal resource and commensurate price to cover all risks. This posed a dilemma to Council, caught between fair public procurement process and best value tendering on behalf of its ratepayers.

To meet this challenge, Council developed a two stage negotiated tender procurement methodology that was designed to address both the ethics of public procurement and to provide best value for its ratepayers' money. The first stage of this methodology comprised a publicly advertised Registration of Interest (ROI) that identified and fixed the contractor's margin and on-site overheads. This outcome of the ROI process met the ethical demands of public procurement and yielded a preferred tenderer and a back-up tenderer for direct tender negotiation. The second stage of the methodology comprised the direct tender negotiation. In order to ensure suitable levels of tension

in the negotiation process, a proviso gave Council the right to terminate the process with the preferred tenderer in the event that negotiations were deemed to have stalled, and to commence negotiation with the 'back-up' tenderer.

While this direct tender negotiation process provided successful appointment of a main contractor, all subtrades were tendered by invited competitive tender, resulting in approximately 85% of the resultant contract value having passed through a reasonable level of competitively tendered procurement.

A post project audit conducted by Audit New Zealand in 2006 recognised that *"the management processes undertaken for this project have generally been of a very high standard"* and that with an overheated contracting market, Council's departure from its usual procurement practice *"showed prudent financial stewardship of WCC resources and contributed to the overall success of the project"*.

Integrated transport interchange

When the opportunity arose during concept planning to acquire land strategically located immediately adjacent to the Henderson rail/bus/taxi station, the Council recognised the value to the community of an enhanced and fully integrated transport interchange and civic centre. Council immediately implemented a process to evaluate this option resulting in a fast-tracked purchase of the land through its property arm. Two thirds of this land block not required for the Waitakere Central Civic Centre project, is being developed as a mixed mode commercial/residential area, which will offset the land cost for the civic centre as well as provide high grade development and expansion of the Henderson town centre.

This integrated development has bridged the rail track with a quality pedestrian facility ensuring safe 24/7 public thoroughfare over the rail track, linking the central business district with the high school and new commercial zones to the west. In particular, safety of school children who previously walked directly across the rails, has been improved significantly.

While the Council's decision to amend its process at a late stage and evaluate an alternative land option carried risk and required bold management, the outcome yielded the many benefits outlined in this document, as well as a significant cost saving on the works value though the advantages of a less confined site.

Encouraging sustainable travel

Integrating the civic centre with a quality transport interchange to coincide with Ontrack's double tracking programme provided an opportunity for Council to develop a Business Travel Plan (BTP) as a management planning tool. This plan's focus is centred on encouragement of a transport modal shift away from individual cars towards public transport, car pooling, walking and cycling, for both its staff and its customers. To this end, Council has negotiated preferential tariffs for staff using public transport, and provided facilities to encourage car pooling and cycling.



While a modal shift of 10% was targeted as a reasonable goal, a recent survey has indicated an achieved modal shift of 18%.

Introduction of the BTP as a management planning tool permitted flexibility for the designers to plan for reduced traffic and parking provisions for the new development, thus saving cost and minimising traffic impacts on the local area.



SUCCESSFUL RESULTS

"A successful result is the evidence that the original vision was translated into reality through the successful interpretation, communication and implementation of the vision": Council's Project Manager

Successful process management

- Council's target date for the shift of business with no shut down period was set for Monday 24 July 2006. This was met.
- Council set a target budget of \$47.5 million inclusive of the transport interchange and the sale of the existing premises as the net cost to rate-payers. This was bettered.
- Despite an overheated construction market, Waitakere City Council was able to develop a tender negotiation methodology and then successfully negotiate a construction tender and implement it within Council's approved budget and timeframes.
- The Business Travel Plan developed exclusively for this project as a management planning tool achieved a transport modal shift away from individual cars to more sustainable forms of transport of 18%, well in excess of the target shift of 10%.
- Cost savings achieved through Value Engineering more than offset unprecedented cost increases in oil related commodities, and adverse currency fluctuations which occurred during the project period.

Economic environmental & social impacts

- Significant savings on reduced energy, lease costs, and administrative efficiencies have been realised.
- Influx of 700 staff into the CBD patronising local shops at lunchtime and after work.
- Easier access for Customers visiting the Civic Centre and enabling one trip to also cover shopping etc.
- Reduced environmental impact due to on-site stormwater quality management.
- The Business Travel Plan has changed the way in which staff travel to work – more use the train or car pool.
- City Centre designed to add to the climate of confidence that is already encouraging other organisations to expand and invest in Waitakere City, bringing in new jobs and new talent.

Successful outcomes

- Council's brief was to build a facility using sustainable building principles. This was met.
- Finished product has integrated art and reflects cultural heritage.
- Fully integrated transport interchange, where bus and taxi operators changed routes and operations to centralise the new interchange as a transport hub.
- Credibility built with Ontrack for this project has benefited other rail projects in the City—for example the New Lynn undergrounding, double tracking and other station upgrades.
- Post-move staff surveys undertaken under the "On Da Move" banner were carried out immediately after the move and again one year later. 493 staff participated in these surveys indicating satisfaction levels of 82%, well in excess of the target set by Council of 70%.

External recognition

- *"The Civic Centre project brought together a large number of stakeholder groups whose innovative and co-operative input has delivered a building which has been acclaimed by those who work in it and those who visit it. The building was completed on budget and represents exceptionally good value for the expenditure of public funds"* Quote from the official statement from the panel of judges of the Property Council of NZ. Waitakere Central won two excellence awards for this building.
- Audit New Zealand's post-project audit reported that: *"We consider that the management processes undertaken for this project have generally been of a very high standard. This is evidenced by the fact that the project was delivered within WCC budgets, to quality standards and within the agreed timelines: these criteria are the real test of any successful project."*
- Independent audit by Grant Kirby Consultants concluded that *"the project was well defined; budget was adequate; the risks were identified and the timeline acceptable; appropriate control mechanisms were in place and the risk register was regarded as one of the best they had seen"*

THE RIGHT THING TO DO

The successful implementation of the Waitakere Central Project illustrates that the following key elements contributed significantly to support Council's Eco City vision.

Improved customer service

The integrated one-stop-shop customer service concept, including drive-through service way and easier accessibility was one of the big drivers for the move of the Civic Centre to Henderson.

Integration with transport interchange

By integrating the Civic Centre with the Transport Interchange, Council has developed an effective Business Travel Plan maximising the use of public transportation as its foundation. The Business Travel Plan offered the opportunity to designers to reduce the design criteria for traffic and parking elements and hence has reduced cost and impact on the local area. Locating the Transport Interchange in the CBD has reduced trip generation by facilitating combined business activities.



Governance and management

The model created by Council through a project sponsor as leader of the implementation team has ensured effective decision making and the successful outcome.

Project Management by internal resources demonstrated that Waitakere City Council "understood its needs (both current and future) arguably better than any external party. Undoubtedly, this contributed to the success of the project." as stated by Audit NZ.

The strong focus based on building and maintaining project team relationships from the outset played a significant role in the successful delivery of the project in terms of time, cost, quality and value.

Sustainable design philosophy

Waitakere Central development has showcased Council's Eco City vision through strong focus on its Eco City principles from the concept through to the developed design, and showcased in the finished project.

Council now promotes the educational aspects of good sustainable development by offering public and private tours to groups to view the facility.



Design by collaboration

Council's philosophy to strongly promote design by collaboration provided a representative concept for the project including a sustainable design with functional art and cultural integration.

Prudent financial stewardship

Due to the overheated construction market, Council's decision to deviate from its standard procurement policy and to develop a fit for purpose negotiated tender methodology "showed prudent financial stewardship": Audit New Zealand.

Strategic benefits a key driver

Amalgamation of fragmented operations into a centralised facility has allowed Council to improve communication and efficiencies throughout the organisation.

Co-location in the CBD provided a two way business efficiency both for staff shopping as well as an influx of 700 new customers to the CBD.

Stakeholder involvement

Involvement of external and internal stakeholders early and during the project contributed to the high stakeholder satisfaction levels through targeted involvement and communication.

Last words from a staff member

"The CE and Directors should be thanked for the courageous decision to locate offices at Henderson and to incorporate sustainable design features in the building. There are already huge benefits to staff how we travel and how we work as a result of the new building. This has made a huge difference to me and makes me commit more to working here."

Respondent in the August 2006 staff survey.