

# WMF-I: Waste Minimisation Fund Infrastructure Deed of Funding - Coversheet

## Section 1: Project Details

CRRF; WMF; PIF

<b>Project identifier:</b>	PJ-0002232	
<b>Project Round:</b>	WMF 2021 Applications Aug	
<b>Organisation name:</b>	Porirua City Council	
<b>Project Name:</b>	Construction and Demolition Programme – Porirua, Kapiti and Hutt Cities	
<b>Project Description:</b>	<p>Porirua City Council (PCC) is developing a Resource Recovery Park at Spicer Landfill. The park will host three waste diversion facilities including a specialist Construction and Demolition (C&amp;D) diversion facility to services Porirua, and also accepts materials from hubs in Hutt City and Kāpiti Coast.</p> <p>Stage 1 of this project was business case funded through the WMF. The business case is derived from comprehensive assessments carried out by a large team of Council staff, stakeholders, and consultants.</p> <p>Based on the assessment and recommendation, funding is requested to build a C&amp;D processing facility and two hubs. This would allow PCC to increase processing capability, markets and develop a network of relationships, enabling services to a greater number of developers and manufacturers.</p>	
<b>Waste Fund:</b>	Waste Minimisation Fund	
<b>Lead Investment Manager</b>	Nan Yang	
<b>Funding information</b>	Organisation's (Funding Recipient) cash contribution to the project	\$592,282.00
	3 <sup>rd</sup> party Co-investors funding sources	\$509,162.00
	MfE contribution	\$2,053,838.00
	Total cost of project (A+B+C)	\$3,155,282.00
	MfE share of costs (office use only)	65.09%

## Section 2: Investment Manager's assessment against key project indicators

CRRF; WMF; PIF. Completed by the Investment Manager (PIF: this section is required in advance of the APPLICATION phase Moderation)

<b>Project objectives</b>	
<b>Objective #</b>	<b>Objective</b>
1	Construct a facility to divert C&D waste from landfill and have open for customers by June 2024 at the Spicer Landfill.
2	Establish markets, handling, and processing requirements for the successful operation of the facility to deliver 25-35% waste diversion, or 18,000-26,000 tonnes of C&D waste, within 12 months of the Porirua C&D facility opening.

3 Host at least 3 C&D sector events and engage with at least 15 C&D businesses in 2023 in conjunction with the opening of the facility to enhance awareness and understanding of C&D waste minimisation practices.

**Project Outcomes/Results indicators and measures.** This project will focus on achieving the following:

- Establishment of the resource recovery facility by June 2024.
- Reduce or divert (through reuse, recycling, recovery) approximately 11,000 tonnes of C&D waste annually.
- Creating three new jobs (3FTE)

**Budget reviewed**  
*Cost comparison to original application*  
*Example: consider Project Costs against stated Outcomes / Results*

The total project cost in the original application was \$13,010,000.00 but after the Stage II process, the scope of the project was narrowed, thus total project cost was revised to \$3,155,282.00. This was because among the original budget (\$13.01M), a large portion of the cost was operational cost after the establishment of the Resource Recovery Park. Therefore, after the negotiation, it was agreed by all parties that the project budget will only cover the Capex costs and operational costs will not be funded.

The amount of the WMF contribution stay the same (\$2,053,838.00) and it aligns with the panel moderation recommendation (See Section 3).

The final project budget is transparent, clear, and has a reasonable budget allocation spread to deliver their milestone deliverables and project objectives of the project.

The amount of contribution from co-investors and their deliverables are clear and specific.

The detailed Budget form can be found at:  
<https://fms.mfe-enquire.cloud/mp/document/46980/overview>

Funding information	Total	Year One	Year Two	Year Three
A. Organisation’s (Funding Recipient) cash contribution to the project	<b>\$592,282.00</b>	\$241,510.00	\$350,772.00	-
B. 3rd Party Co-investor funding sources	<b>\$509,162.00</b>	-	-	\$509,162.00
C. MfE contribution (approved amount)	<b>\$2,053,838.00</b>	\$232,040.00	\$1,267,960.00	\$553,838.00
<b>Total cost of project (A+B+C)</b>	<b>\$3,155,282.00</b>	<b>\$473,550.00</b>	<b>\$1,618,732.00</b>	<b>\$1,063,000.00</b>
MfE share of costs (for office use only)	<b>65.09%</b>	49.00%	78.33%	52.10%

**Ability to deliver**  
*Capacity and Capability*

PCC have extensive experience in delivering major project infrastructure and services. They are partnering with other city councils, and they have experienced regulatory, contract and infrastructure management teams able to plan, lead and deliver major projects to draw on.

PCC has the ability and capacity to successfully deliver this project.

**Ability to Fund**

PCC has policy and procedures in place for all project management, financial management and procurement. Funds will be managed through the Council Finance team.

PCC have confirmed that they have the funds to fund the project and the 3<sup>rd</sup> party co-investors both provided their written letter to support this project.

**Governance and oversight**  
*Is MfE representation required?*

PCC has a proven project management structure for the governance structure, roles and decision-making processes. As a major project, the project must meet stringent reporting requirements to the Executive Management Team and there is oversight from the Risk Assurance Manager.

**Beyond BAU**  
*Timing of proposal against BAU planning. Would this have proceeded without funding?*

Funding is being used to establish a new regional C&D waste diversion and processing facility to minimise waste generation by reusing, recycling and then processing any residual waste to go to an authorised landfill facility.

This is outside the organisation’s normal BAU.

<p><b>Due Diligence</b> <i>Comment/summarise 3<sup>rd</sup> party recommendations where required</i> <i>Insert due diligence doc links</i></p>	<p>PCC was not subject to an external 3rd party due diligence and risk assessment as the recipient is a territorial/local authority and is considered low risk.</p>
<p><b>Risks and mitigation summary</b>  <i>1. Identify COVID-19 risks, scope and mitigation (mandatory)</i> <i>2. Identify other risks, scope and mitigation</i> <i>(e.g., consent, political, impacts, conflicts of interest, financial risks)</i></p>	<p>The major disruption of the global COVID-19 pandemic poses a risk that the project is delayed due to staff and/or contractors' illness, which would limit ability and availability to deliver. PCC would adhere to their organisational and national guidelines to ensure exposure to the virus is kept to a minimum and ensure staff have ability to work remotely from home if they need to isolate.</p> <p>Other risks include supply chain issues, fluctuating machinery costs and availability. To mitigate this, PCC has factored sufficient lead time and also proposed equipment lease arrangement in the interim.</p>
<p><b>Conflicts of Interest</b> <i>Insert description if applicable</i></p>	<p>N/A</p>
<p><b>Analysis of Progress</b> <i>Delete options not applicable</i></p>	<p>This project will be monitored by:</p> <ul style="list-style-type: none"> <li>○ Milestone reports submitted by the project management</li> <li>○ Periodic Governance Meetings</li> <li>○ Periodic site visits by a Ministry representative</li> <li>○ Periodic attendance by a Ministry representative at project governance meetings</li> </ul>

### Section 3: APPLICATION phase - WMF Independent Panel Assessment



WMF use only: to capture external panel moderation outcomes

<b>Assessment /Moderation Panel</b>	Independent Panel
<b>Total Assessment score</b> <i>Insert score range to provide context</i>	243/450
<b>Moderation comment</b>	<p>C&amp;D Resource Recovery Hub for Porirua, Hutt City, Kāpiti Coast and Kāinga Ora. A lot of work has been done around feasibility and business case. The business case was previously funded via the WMF.</p> <p>We are in need of C&amp;D processing infrastructure, and the collaboration with Kāinga Ora locally could set a standard for national Kāinga Ora builds that catalyses a shift in this sector away from linear disposal.</p>
<b>Moderation recommendation</b> <i>Delete options not applicable</i>  <i>Recommended</i>	<p>The application is <b>recommended</b> for funding as presented conditional to:</p> <ol style="list-style-type: none"> <li>1. Funding approved for 75% of capex up to a maximum of \$1,500,000 in relation to the Porirua hub.</li> <li>2. Funding approved for 75% of capex up to a maximum of \$553,838 contribution in relation to the Hutt Valley and Kāpiti hubs.</li> </ol>

### Section 4: Stage II REVIEW - Deed of Funding and Project plan

CRRF; WMF; PIF.

<b>Project Plan</b> <i>FMS Doc ID # &amp; FMS links</i>	<a href="https://fms.mfe-enquire.cloud/mp/document/40686/overview">https://fms.mfe-enquire.cloud/mp/document/40686/overview</a>
<b>Deed of Funding</b> <i>Doc ID # &amp; FMS links</i>	<a href="https://fms.mfe-enquire.cloud/mp/document/40691/overview">https://fms.mfe-enquire.cloud/mp/document/40691/overview</a>
<b>Lead review summary</b> <i>Confirmation statement by the Lead that all preceding sections have been robustly addressed during the Stage II negotiations including how any conditions of funding have been satisfied</i>	I confirm that all the above sections have been robustly addressed during the Stage II negotiations.
<b>Special Terms</b> <i>Insert special terms that are required or n/a</i>	N/A
<b>Peer Review</b>	<p>Name: Andrew Needham Date: 28 July 2022</p> <p>Comments: The Stage II documents read well and set out a clearly defined, achievable project with significant benefits if completed successfully. There are minor comments and edits scattered throughout the Project Plan. Once addressed, the documents will be ready for Legal Review.</p>
<b>Legal Review</b>	<p>Name: Matthew Rush Date: 3<sup>rd</sup> Aug 2022</p>
<b>APPROVALS</b>	<p><b>DEED of FUNDING</b></p> <p><b>Next steps</b></p> <p>The Ministry for the Environment is now required to sign this Deed of Funding. Porirua City Council will then be asked to sign this Deed of Funding to complete this agreement.</p>

<p>DFA - Manager</p>	<p>Name: Phil Brown                  Date: 11 August 2022                  Position / title: Acting Manager – Waste Infrastructure                  Comments: Was previously reviewed – recommended re-ordering of milestone activities /deliverables with regard to consents to ensure deposits for machinery wasn't done prior to obtaining consents  <i>The following revision were made:</i>                  1. Due date for M1 extended from May 2023 to Dec 2023                  2. Move Building Consent from M2 to M1                  3. Added Building Consent in M3 and M4.                  Changes made – Reviewed again and approved for signature                  Signature: </p>						
<p>DFA – Director</p>	<p>Name: Michelle Kazor                  Date: 16 August 2022                  Position / title: Director Waste Investment                  Comments: A really good example of regional coordination, of supporting infrastructure that is beyond current state, and also will help address further recovery as well as establishing of markets, including for timber and other materials. Will be a good project to watch / model in terms of outcomes particularly around market development.                  Signature: </p>						
<p>DFA – Deputy Secretary</p>	<p>Name: Sam Buckle                  Date: 20 August 2022                  Position / title: Deputy Secretary Waste and Resource Efficiency, Water and Land Use Policy                  Comments:                  Signature: </p>						
<p>FMS Document IDs and FMS document link</p>	<table border="0"> <tr> <td>Deed of Funding</td> <td>DOC-00*****</td> <td>FMS Link</td> </tr> <tr> <td>Project Plan</td> <td>DOC-00*****</td> <td>FMS link</td> </tr> </table>	Deed of Funding	DOC-00*****	FMS Link	Project Plan	DOC-00*****	FMS link
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