



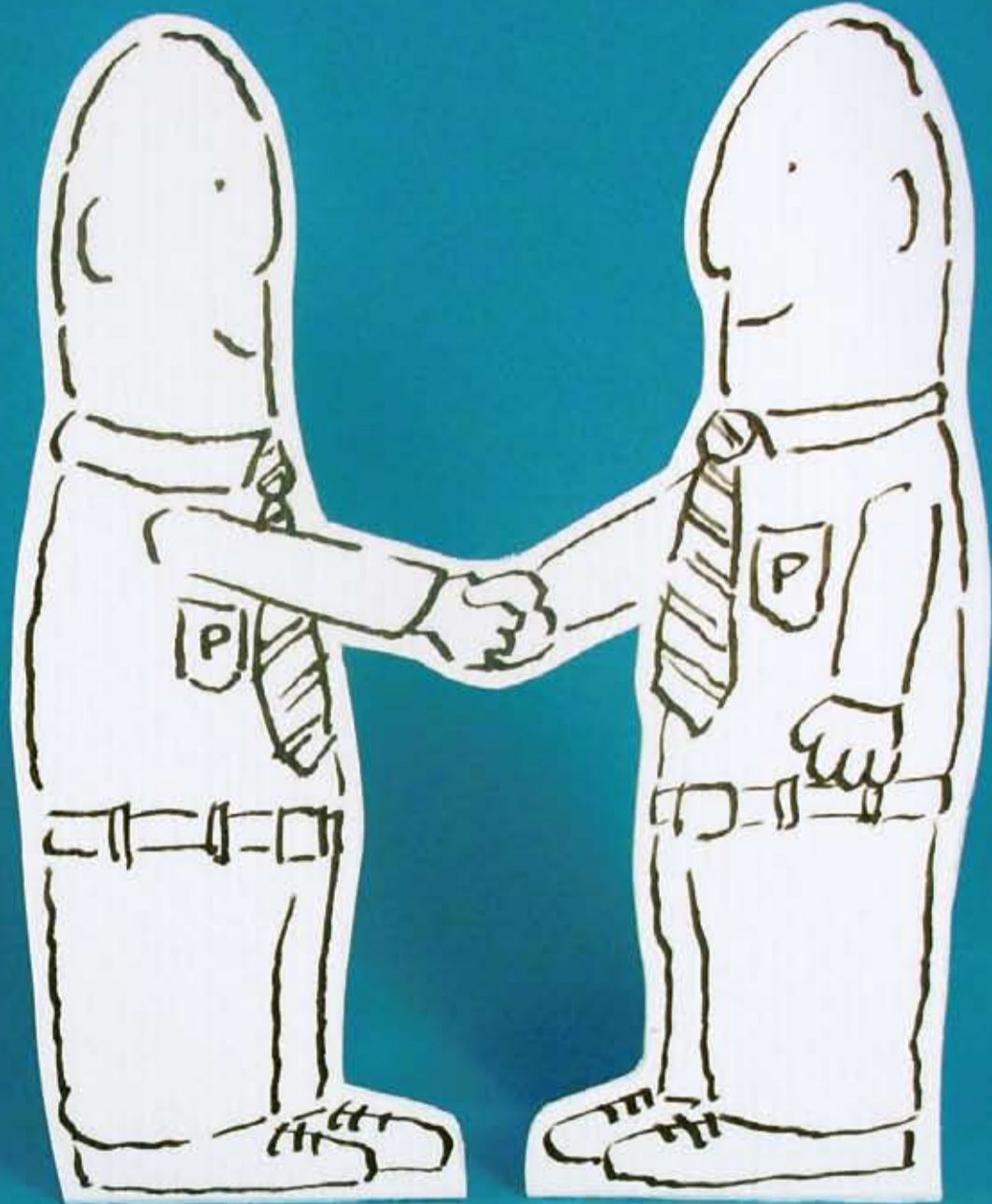


THINK[®]

Issue 11: February 2011

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INSIDE:
**WHERE PUBLIC
MEETS PRIVATE**
OUR THINKING ON PUBLIC
PRIVATE PARTNERSHIPS



**THE
BUILDING
INTELLIGENCE[®]
GROUP**

DEBATE THE PPPs!



Vector Arena in Auckland is a unique example of a PPP contract that led the way in New Zealand's PPP thinking. See a full article by Terry Mansfield in the THOUGHTS ON column, back page. Read this article online at tbig.co.nz/latest_think. Photo courtesy of Mainzeal

PUBLIC PRIVATE PARTNERSHIPS IN NZ OVER THE NEXT DECADE, AND WILL THE "Y" GENERATION THANK US?

The scene is being set by the National Government for New Zealand to change its ways of procuring major infrastructure projects that historically were largely funded, procured and managed entirely by the public sector. Cabinet now requires all capital projects with a life cycle value over \$25m to consider a range of alternative procurement strategies including a PPP.

Assuming that policy prevails and its implementation results in a succession of PPP contracted projects and ongoing operational "businesses", then what major challenges are likely to be encountered and how might this change the investment "landscape" in New Zealand by say 2020?

Let's examine the challenges.

POLICY

Treasury's National Infrastructure Unit [NIU] is the lead agency in managing the public process towards PPP's and released its draft generic PPP contract for "public" consultation late last year. This document is intended to be the linchpin in the NIU's PPP "tool kit". At 276 pages of legal drafting by a group of legal experts, it's more than a meal to digest or discuss in this article. Industry experts were hoping to see specific hurdles to PPP opportunities addressed and preferably removed in that document, however its function as a generic document means they will have to look elsewhere.

TIMING

Timing in our three year political cycle (versus UK's 5 years) is the most immediate challenge as PPP bidders frown at the prospect of being part way through a gruelling and expensive PPP tender process with the prospect of cancellation upon a change of government. Some bidders may accept the odds of there being no change, but if others refrain then the competitive tension so favoured by Treasury could be lost and precipitate a retender. Accelerating the bid process to contract a major PPP before the next election runs counter to best practice to ensure all life cycle outcomes are absolutely accounted for and the risk of variations is minimised.

While Australia with its extensive PPP experience can now bid and contract for a new PPP motorway in nine months, the reality for NZ with PPP in its infancy is around three years. Improving that timeframe will require political leadership, astute public administration and eager qualified bidders. Meanwhile the recently announced call for Expressions of Interest in the Wiri Prison PPP acknowledges a contract commitment as no sooner than early 2012 and thus pragmatically includes a specific bid refund provision for "live" bidders at the time of any major change in Government policy on PPPs.

FUNDING

Typically a PPP consortium will comprise a financial merchant banking entity, an operator and a design build contractor. Together they will form a joint entity, a Special Purpose Company (or SPC in the industry jargon) to enter into a PPP contract. Private sector funding of PPP consortia will present challenges to NZ's financial environment. While project funding during construction can be expected to be readily available, the longer term life cycle funding of the ongoing operation is a "new business" for the NZ finance market. Blue chip companies in NZ have difficulty raising long term bonds and rarely are bonds issued beyond five-six years, whereas a bond market of 15-20 years is required to support PPP contracts. Worldwide this has become the domain of pension funds and the very wealthy. Relative to the western world, NZ has a fledging pension fund industry in the NZ Pension Fund and KiwiSaver. Already alliances are formed between pension funds and investment banking entities to seek long term infrastructure investment opportunities. There is potential for some happy marriages in the funding sector.

FEE FOR AVAILABILITY... PLUS UNDERWRITE?

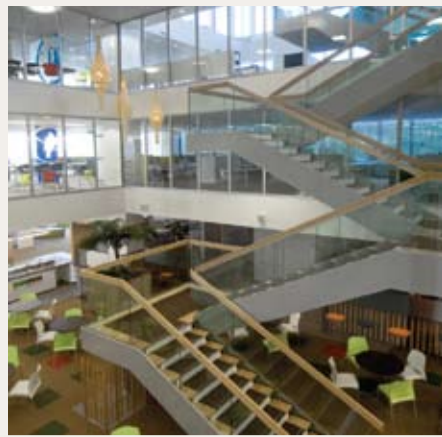
A recent trend in PPP payment structures is to pay only for "availability". In short this means the SPC is not responsible to generate customers for the PPP services but to ensure the facility is available to the parties who do so. The crux is who bears the holding costs should customers or usage fall materially below expectations at any time during the PPP contract.

A key issue in PPP structuring of a project is to what degree (if any) does the Crown (or concession grantor) provide an underwrite to the demand for the PPP operation, eg prisoners for a prison, pupils in schools, passengers on trains, cars on a toll way. For true risk transfer from public to private sector any underwrite should be minimised or nil. For a PPP prison the forecast demands for prison beds driven by an undiminishing crime rate is "good" news. Even with a lowering of recidivism over time, older public prisons can close, leaving PPP prisons at full capacity. A Crown underwrite to sustain the supply of prisoners looks a safe bet, except for industry obsolescence of the prison concept, an unlikely prospect.

For a PPP school there is the wider risk of change in growth and demographics. While Auckland's growth needs some 15 high schools in say 15 years, locating new schools so that they will remain fully utilised for their 50 year building life is a unique predictive challenge. Will Auckland solve its hurdles to urban intensification or will it grow piecemeal out into the countryside or a mix of both? Media reports on failed PPP's have focused on some spectacular demand forecasting failures (whereas largely PPP's are otherwise successful) which in hindsight simply failed to recognise obvious flaws in predicting future demand. The first PPP road tunnel under the Hong Kong harbour was viewed as extraordinary high risk but rewarded risk takers with 100% return on capital in two years in stark contrast to the latest PPP road tunnel under the Brisbane River that has yet to reach 30% of its forecast demand resulting in a total loss of all equity and a bank debt selling at 50c in the \$1, both simply displaying that infrastructure PPPs are for risk takers in the absence of an underwrite.



See more images online at tbig.co.nz/latest_think



Internal Atrium



See more images of The Customhouse online at tbig.co.nz/latest_think

TALENT POOL

Given the political leadership is there and the long term funding will become available to capable bidders, then the limiting factor for PPP's in NZ could be that we have a shallow pool of talent to form consortia with balanced skill sets. The kiwi penchant to see ourselves as ever punching above our weight won't substitute for the "forensic" skill levels required to prepare a lifecycle operation analysis of a PPP contract. This requires importing skills and developing NZ based talent to undertake the risk analysis and financial forecasting to assure the SPC's long term viability.

In each PPP offer there will be unique ingredients that determine the keystone operator participants and this will invariably limit the viability of consortia to be formed. Relatively speaking we are not short of highly skilled merchant bankers or of design builders and wider consultants. Considering the Prison PPP, there are doubts that durable PPP social outcomes can be contracted for, given private prison operators are in short supply and perhaps more critically the organised contribution of Maori to rehabilitative programmes is recognised in the PPP tender documents as a critical supply issue.

FRONT RUNNER PPP'S

The front runner PPP candidate is a large new men's prison where life cycle gains in the order of 10-20% are envisaged. This is largely built on the intention to include the ongoing custodial operation in the PPP scope and that such a PPP will deliver a material reduction in recidivism. When released the detailed tender documents on how social outcomes are specified and measured will make for an interesting read for social commentators across the political spectrum.

Other PPP front runners are schools and roads, with rail remaining down the list after water, sewerage and power stations. In this road obsessed nation, Auckland with its new super city status is shaping up for a major green debate between road and rail. A new bit of tolled roadway can be efficiently rolled out as a PPP using the proven Aussie process, but this begs the question of whether that is a productive investment. Relatively it's a "yes" but on the carbon green agenda rail is the winner. Watch this space!

In the years ahead, will the "Y" generation thank us? As the inventors of PPP's in the western world, and the current world recession, the baby boomer generation head for retirement now and the afterlife from 2020.

The leadership mantle is passing to the "X" generation and the "Y" generation will enter their productive adult years from 2020. If then, the "Y" generation's children are born in a PPP hospital, get educated at a PPP school, drink PPP water, travel on PPP transport (whether road or rail) will they thank us?

I think they will if we can do it wisely and do it well; by achieving durable outcomes and productivity gains across social, carbon and economic criteria.

Finally, let's turn to look at Vector Arena. Vector Arena in Auckland was a unique PPP contract that Terry Mansfield was extensively involved in before joining *The Building Intelligence Group* as Project Director. There were few precedents of its kind in New Zealand. Be sure to read Terry's article on the challenges and successes of the Vector Arena in the THOUGHTS ON column on the back page of this issue. ■

NO PLACE LIKE HOME

"BEST CHRISTMAS PRESENT" SAY COUNCIL TENANTS, DELIGHTED WITH NEW HOMES IN REFURBISHED HANSON COURT APARTMENTS TOWER BLOCK.

The investment that the Wellington City Council is making in the joint Crown and Council \$400m Housing Upgrade Project (HUP) over 20 years is not just about upgrading living conditions; it is about creating warm, safe, welcoming homes. The recently completed transformation of the Tower block of the Hanson Court apartments is a great demonstration of their vision. The Tower block refurbishment has been completed, much to the delight of Council tenants who moved back in just in time to make it a Christmas to remember.

As project managers for the construction phases, *The Building Intelligence Group* is very happy to have delivered this milestone. "Making a difference at this time of the year for the lives of families and the elderly was particularly rewarding," says Martin Hubbard Senior Project Manager. "It's nice to hear people tell us how much they love their new homes. People talk about opening the door for the first time and just being thrilled by the improvements. Some elderly folk we spoke to had tears in their eyes – good tears."

35 flats in the nine level tower block of the Hanson Court flats have been upgraded. Improvements include better insulation, and ventilation and double glazing. Balconies have also been upgraded. Kitchens and bathrooms received the most attention, with quality fittings and improved layouts. Each flat has new paint and thermal curtaining. Safety and security has also been addressed. New robust front doors and a new entrance way to the tower block have improved security, lighting and accessibility. The modernisation is also about giving the tower block a new sense of identity.

This Newtown based project is a crucial part of the major initiative that the Council is undertaking in partnership with the Crown to substantially improve social housing in the capital. The 20 year project involves 40 housing complexes, 126 stand alone houses and over 4,000 tenants. The HUP team working right at the heart of the Council's vision to deliver improved living conditions in safer and better quality homes have worked hard to get all the ingredients right.

Reaching the first milestone of completing the Tower block refurbishment has been satisfying says City Housing Manager, Byron Roff. "*The Building Intelligence Group* has been onboard with our vision from day one. This project has had its share of construction challenges and TBIG has done a fantastic job of finding solutions that meet the objectives of both the client and the contractor."

Revitalising the tower block is an important first piece in the equation for the ongoing development at the Hanson Courts Flats. A community centre is being developed using reused units from Regent Park Flats that were moved to the Hanson Court flats site. The programme of work has now turned to upgrading 30 flats in the five level Podium Building, which is located in close proximity to the Tower block. *The Building Intelligence Group* is looking forward to handing over the renovated homes in the Podium Block in May 2011. ■

COST EFFECTIVENESS VS QUALITY. YOU CAN HAVE BOTH

AT 25,000M², THIS IS THE BIGGEST OFFICE FIT OUT THAT WELLINGTON HAS EVER SEEN, YET IT'S FAR FROM THE MOST EXPENSIVE.

Inland Revenue has brought over 1750 staff together into one central location at the new Asteron Centre at 55 Featherston Street. It is an excellent demonstration of how a cost effective quality working environment can be achieved and has set a new benchmark in 'fit for purpose' office accommodation that other Government departments are viewing with interest. This is the biggest office fit out in Wellington and the sheer size of the 2,850m² floor plates provided the blank canvas to create an efficient and collaborative working environment.

As the anchor tenant, Inland Revenue were able to influence the base building design and downstream there were to be many benefits from delivering an integrated fit out with the base build. Appointed as Project Managers for the fit out, *The Building Intelligence Group* facilitated the development of a comprehensive base building performance specification and agreed key milestones and integration and risk mitigation methods that provided maximum certainty for the project's delivery. The integrated fit out with the base build allowed complementary activities to be pre-sequenced and enhance the project's green star objectives. The fit out was completed one month earlier than originally programmed and a full two months earlier than Inland Revenue's proposed first move date. "If you get the requirements right, make the obligations and deliverables clear, you get to maximise leverage and minimise downstream risk" says Dave Mann, Managing Director of *The Building Intelligence Group*.

While the fit out is Wellington's largest, it was far from the most expensive. The fit out is all about being professional, flexible and fit for purpose for Inland Revenue's needs. The soft fit out is approximately 70% new, with new workstations, but reusing chairs, meeting room furniture and storage where possible. The workstation layout is relatively generic to provide flexibility for the future.

Inland Revenue's Project Manager Sarah Apperley comments, "The space has been optimised very efficiently. Nothing is just for aesthetics, every element was tested and measured against 'is it fit for purpose?' and the result is an efficient, flexible working environment that is appropriate to our needs." "We have maximised occupant densities, and there is a lot of connection and spaciousness achieved through good collaboration spaces."

Mel Briasco, Senior Project Manager for *The Building Intelligence Group* says, "The result is a great demonstration of what can be achieved when there is a very good alignment of the client's vision with a dedicated team." ■

NZ CUSTOMS SERVICE DOWN BY THE WATERSIDE

THE BUILDING INTELLIGENCE GROUP HAS ALWAYS ENJOYED PARTNERSHIPS THAT EVOLVE OVER TIME.

By winning the contract to project manage the fit out of The Customhouse, a six level building at Wellington's CentrePort, it was our third opportunity to work with the NZ Customs Service.

Having undertaken fit out and refurbishments over the years for the NZ Customs Service at their Whitmore Street head office premises, it was time to help them make the transition to a purpose-built building that would provide an efficient and attractive home to suit their long term business needs.

Good collaboration laid the platform for a fit out project that was fully integrated with the base build. *The Building Intelligence Group* was involved in the procurement of the fit out designer, fit out contractors and furniture contractors and we also managed the relocation process. The fit out was integrated with the base build and this paved the way for a well managed process that saw the building's services built and installed to suit the fit out. Two weeks were sliced off the completion date, allowing the NZ Customs Service to move in early which was of significant value to our client who had the pressure of incoming tenants taking up the remaining lease term on their existing premises.

The new Customhouse building was delivered ahead of time and under budget. After 40 years of working in a building with declining services, limited functionality, small floor plates and poor natural light, the NZ Customs Service's new environment is a pleasing contrast. It makes the most of its unusual triangular island site to gain excellent natural light to all sides and to maximise sea views. The building is a 5 Green Star base build. Perimeter columns provide large open plan working spaces to foster strong staff collaboration. Sensor lighting, good thermal comfort from recessed ceiling mounted chilled beams, and centralised kitchen facilities are all good ingredients in making the areas light, interactive and welcoming. The large floors are modern and flexible with technology capabilities for efficient and flexible workspaces. Over 270 NZ Customs Service staff are now enjoying the advantages of working in an open collaborative environment. NZ Customs Service CFO John Kyne comments "It was an extremely well run project which finished ahead of time and under budget. *The Building Intelligence Group* added demonstratable value. Their budget and cost control skills and their proactive attitude ensured that the flow of work was well managed. We had excellent communication at all times and early, informed and decisive action when issues arose."

The NZ Customs Service now has a new efficient long term-home. We're pleased to have taken our partnership full circle with them. ■



Bicycle shop owner Christian Peterson displays his store inventory of 100+ bicycles on the outside of his shop in Altlandsberg, Germany. Image courtesy of TRANZ / Reuters. [Read article online at tbig.co.nz/latest_think](https://www.tbig.co.nz/latest_think)



Read online at tbig.co.nz/latest_think
Image courtesy of TRANZ / Reuters.

LIFE CYCLE CITIES

CYCLING IS REACHING CRITICAL MASS IN MANY CITIES, SOME THROUGH NECESSITY, AND OTHERS THROUGH THE FORESIGHT OF URBAN PLANNERS AND COUNCILS. SO WHAT CAN WE LEARN FROM CURITIBA, TRONDHEIM OR PORTLAND?

Simple, affordable, and not dependent on the whims of global oil prices, cycling can help reduce our CO² emissions, unclog arteries, and improve the health of our people and even our cities themselves, according to urban planner Jan Gehl.

Gehl was in Auckland last year to discuss how transport alternatives might contribute to the vitality of the new super city: a discussion that naturally draws comparisons with other global cities already 'on their bikes'.

With 40 per cent of its traffic on two wheels, Amsterdam is often called the 'bike capital of the world', which it's become largely through necessity. It's almost impossible to negotiate a car around the narrow streets with canals, and car parking is expensive and scarce, while bicycle parking spaces are increasing in the city.

Bicycles are vital in Bogotá, where fewer than 15 per cent of residents own cars. The city's plan includes car free Sundays, and 350km of separate pathways. Montreal has also set out to create a more cycle-friendly city, with 450 km of dedicated cycle paths and the 'Bixi' bike-share programme, while hilly Trondheim in Norway has risen to its unique challenges with the world's first bicycle lift.

Curitiba in Brazil was designed from a master plan in 1965, which included alternative transport options, now used by 70 per cent of Curitiba's population. Also a result of planning, approximately one third of Copenhagen's workforce arrives there by bicycle. It boasts an extensive, well-planned network of dedicated paths – including traffic lights specifically for cyclists.

Proving that Americans can be persuaded out of their cars, Portland has a strong cycling culture, supported by a 20-year council plan. Washington DC's Bikestation 24-hour bike transit centres make cycling a safe and integral part of public transport. And in Wellington, where Mayor Celia Wade Brown cycles to work, the recently opened first stage of the Great Harbour Way will provide a cycleway and walkway to eventually link Red Rocks to Pencarrow.

So, according to Jan Gehl, how might Auckland follow the lead of these super cycle cities? He believes a real paradigm shift is needed to make the central city friendlier to cycles and pedestrians than to cars.

The Building Intelligence Group's Dave Mann agrees, "In a city where I've heard buses referred to as loser cruisers, there will have to be a major shift in attitude. Is the super city ready for this challenge?"

Gehl points out that Copenhagen – the city he helped to reinvent – has one sixth of Auckland's parking space. So a logical start would be to slowly but systematically remove car parks, replacing them with shared spaces, to allow the lifeblood of people to flow into Auckland's beating heart.

To learn more, visit <http://transportblog.co.nz/> or <http://www.gehlarchitects.com/> ■



Read online at tbig.co.nz/latest_think

GREEN AND GOLD

SOUTH EAST FALSE CREEK IN VANCOUVER RECEIVED GLOBAL ACCLAIM AS THE FIRST 'GREEN' OLYMPIC VILLAGE THAT HAS BEEN TRANSFORMED INTO AN AWARD WINNING SUSTAINABLE NEIGHBOURHOOD.

Millennium Waters, the Olympic Athlete Village, was awarded LEED® Platinum ND certification by the U.S. Green Building Council for its affordable housing, green buildings and habitat restoration. Sustainable design features include water and energy efficiencies, green roofs, and a net-zero energy structure that produces as much energy as it consumes.

It is the largest such project to be certified in Canada. By 2020, up to 16,000 people will live here in more than 5,000 residential units. At their fingertips will be a community centre, a school, and 10 hectares of parkland habitat, playgrounds and urban agriculture. Millennium Waters is the brainchild of Roger Bayley of Merrick Architecture. Roger grew up in New Zealand, received his engineering degree at Canterbury University and he recently returned to New Zealand to give a lecture on this successful project.

"To significantly influence Vancouver's acceptance of sustainable design and green building techniques – that's really the focus the whole design team has embraced," says Roger. Most of the homes at SEFC utilise passive energy solutions such as being clustered around open courtyards with water at the centre to maximise cooling cross ventilation. Mechanical engineer Vladimir Mikler of Vancouver's Cobalt Engineering maintains "If we can make really smart decisions on the building architecture, it doesn't really have to cost more, and it saves demand on the energy of the building in the first place."

Green roof coverage of 50 per cent will reduce the urban heat island effect, generate oxygen and improve the views from taller buildings.

New construction will be "carbon neutral", with existing buildings' energy efficiency to be improved by 20 per cent by 2020. "The experience gathered here in Vancouver can influence the situation in the world very broadly," says Bayley. "What we've done here... is a drop in the bucket compared to Asia, where they recreate our population every 20 years."

Sustainable cities require cooperation between developers, architects and residents. Governments will have to create or adapt legislation to support these new development paradigms. ■



Read online at tbig.co.nz/latest_think

JAKARTA'S RENAISSANCE

THE BUZZ AT THE INFRASTRUCTURE ASIA 2010 CONFERENCE IN JAKARTA WAS PUBLIC PRIVATE PARTNERSHIPS (PPP) – PAIRING GOVERNMENT WITH ONE OR MORE PRIVATE SECTOR COMPANIES.

In a country so rife with corruption and bureaucracy, this funding model may be crucial to driving overdue infrastructure projects and attracting investment.

Indonesia's proposed PPP model would usually see the private company providing most of the financing required for each project, while the public sector offers support with land acquisition, permit issues and potentially takes a role in construction.

For its part, the government has been rethinking its bloated bureaucracy with the Reform Management Framework, which features the Guarantee Fund. This fund offers partner investors security against non-payment and a variety of risks.

In Jakarta itself, where much of the Old Town's graceful 18th century Dutch architecture has escaped the wrecking ball, but is rather down at heel – a PPP may be the only feasible way forward. This would mean the city providing opportunities for private investment, simpler regulations and infrastructure spending.

However, building owners are refusing to renovate their properties until the council commits to a comprehensive revitalisation approach – one that has the support of business, politicians and residents. According to experts, the city administration must rewrite or draft new zoning and land use regulations for the 845-hectare conservation zone, so residents and investors can redo stores, homes and restaurants, within reasonable budgets and regulation.

The administration will also have to regulate what kind of businesses can exist in the protected zones and ensure local shopkeepers are not shut out by rising rental prices.

Business has occasionally had to take matters into its own hands. The National Archives Building was the country estate of the Dutch governor-general of Batavia from the 1760s. By the 1990s, it was destined for destruction. The Dutch business community raised the restoration money, and now runs the building as a museum and events centre, managed by a private foundation.

Ella Ubaidi, the Executive VP for conservation and heritage assets at Indonesia's state-owned railway, has mobilised the Old Town's local residents, who run a neighbourhood crime watch and help small business owners. This activity is beginning to revitalise small pockets of the community. As Ubaidi maintains, "We need more of that. Not only museums but businesses, street vendors and people who live here, too." With community groups working in tandem with effective PPPs, Jakarta's renaissance may be a reality sooner rather than later. ■

THOUGHTS ON...

BLOOD IN THE SAND: THE VECTOR ARENA PPP EXPERIENCE

TERRY MANSFIELD

The Vector Arena project has all the ingredients of a spectacle worthy of the original Latin meaning of "Arena", meaning sand, which became known in Roman times as the sand strewn place of combat in an amphitheatre, the sand being a reliable method of soaking up the blood.

Auckland had long aspired to an indoor arena and over decades there was a history of failed attempts by various developers. In the late 1990's, having acquired the Quay Park site in a unique partnership I negotiated with Ngati Whatua, the Auckland Council was circumspect about taking on the entire responsibility of all that an arena entails and set out to procure it as a PPP thus shifting the risk of development, ownership and maintenance to a consortium. To achieve this minus the sand and the blood required strategic decision making in key areas.

Firstly, the project governance had to retain strategic focus on the major issues that defined the overall outcomes. Secondly, the building and arena industry had to be inveigled into a PPP type bidding process when there were no precedents of its kind in New Zealand.

In my role as Contract and Development Manager the procurement challenge became one of defining the requirements in a holistic manner, sufficiently detailed to ensure a viable facility would result in economic, social, cultural and functional and technology terms, yet be flexible to allow the consortium bidders to infuse their concept with their innovative industry expertise.

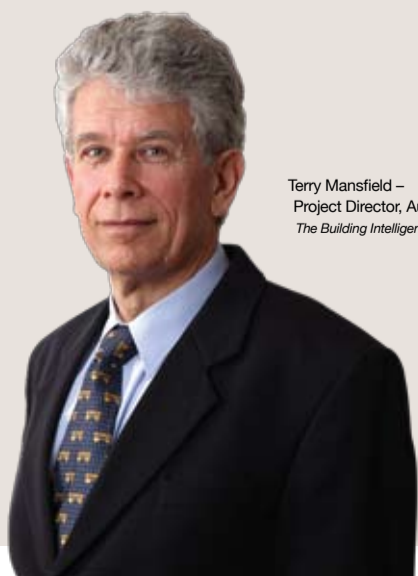
Precedents overseas pointed to football stadium venues being largely "self-funded" due to co-located development opportunities, broadcasting rights and sponsorship deals. The same could not be said about indoor arenas, especially in Auckland's relatively small market.

By sustaining competitive tension in the bidding process the funding formula for our city's arena was successfully brokered, albeit with a higher contribution from Council than was preferred at the time. However this premium ensured that Council remained in a low risk position, without exposure to final development costs, design, construction contract risks, venue business risks and maintenance.

That procurement strategy has paid off well for the Council with the "skin in the game" borne by the consortium members. As anyone who has enjoyed a show at Vector Arena knows, the venue is rightfully popular for its comfort, acoustics, accessibility, intimacy and versatility.

There is potential in the "Super City's" growth phase for a range of PPP projects to build on the Vector Arena experience, from public transport to convention venues. I'm relishing the opportunities coming up for my arena experience alongside The Building Intelligence Group's expertise and track record to fulfil key roles in similarly challenging and iconic projects.

What are your thoughts on this subject? Share them at tbig.co.nz/latest_think.html



Terry Mansfield –
Project Director, Auckland,
The Building Intelligence Group

Intelligent life



Bede Crestani - Shaken and stirred by earthquake

Bede Crestani knows exactly what a 7.1 earthquake feels like. Our Senior Project Manager and heritage specialist Bede was in Christchurch with family when the earthquake changed the face of Christchurch.

In the days that followed Bede helped two of our clients in Christchurch. He surveyed the office interiors of three premises for The Department of Internal Affairs and also surveyed two premises for the New Zealand Transport Agency. Damage to premises included cracked partitions, dislodged ceiling tiles and light fittings, dislodged storage units off walls and damage to general fittings. By being there first hand, we were in a good position to turn around the reports and indicative costs to help prepare the way to manage any remedial work.

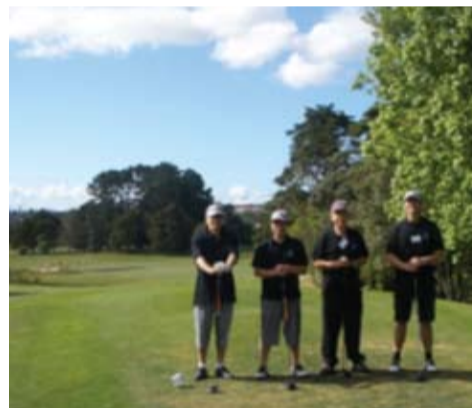
A Way with Words



Gaye Domanski has joined us as our Communications and Marketing Advisor. As our new communications voice, her writing skills, business case study experience and creative outlook from her advertising agency background will be to the fore.

Property Council Golf a big hit

Peter Leong and Terry Mansfield from The Building Intelligence Group teamed up with Blair Wolfgram from Les Mills and Graham Smith from Hawkins Interiors for the annual Property Council Hacker's Golf Day. It was a great day at the Maungakiekie golf course in Mt Roskill and everyone from architects to project managers to real estate agents were out in force.



Up close at the Taj Mahal

Project Manager Karan Mahajan recently visited the Taj Mahal in Agra, India. Built in 1632 by the Mughal Emperor Shah Jahan it is considered one of the most beautiful buildings in the world. Karan who has a strong interest in building design, found the perfect symmetry of the Taj Mahal and its Mughal influenced intricacies of design and construction to be inspiring.



NEW PROJECT WINS



Rendering of Te Aro Towers,
courtesy of Archaus Architects

2011 is definitely kicking off at a fast pace. The Building Intelligence Group has been appointed to project manage some significant new projects around New Zealand.

In Wellington, The Building Intelligence Group was appointed in November 2010 as project managers for the Te Aro Towers development at 168 Taranaki Street. The first stage East Tower of this 11 storey development is for Taranaki Land Limited, with representation by KensingtonSwan, and is designed by Archaus Architects, with completion due in December 2011.

WeTec, UCOL and Le Cordon Bleu have joined forces to create the Le Cordon Bleu New Zealand Institute, and the New Zealand Centre of Cuisine and Hospitality Excellence. The Building Intelligence Group is excited to be appointed as project managers for the fit out of such a world class facility in Wellington.

DELIVERING VISIONS

AT THE BUILDING INTELLIGENCE GROUP, OUR ENTIRE TEAM HAS ONE CLEAR FOCUS – TO DELIVER ON OUR CLIENTS' VISIONS.

To do that, we tailor our services to a client's specific needs.

- For some, those needs begin with a feasibility study. This is the equivalent of writing a business plan, and we can manage and co-ordinate the process, working through all the options and variables and providing recommendations (including alternatives if a desired option doesn't work).
- Then comes the essence of project management – project planning. It has been said that 70 per cent of the success of a project is determined by what happens at this stage. We evaluate the risks and make sure everybody involved in the process understands exactly what they're getting into and what is expected of them.
- Then we get into the nitty-gritty of project design and delivery, where we make it happen – managing the design process to deliver the objectives; developing timelines, procuring and managing tenders, writing contracts and managing risk; and getting our boots dirty overseeing the construction activities and resolving on-site issues.
- Every project, in one form or another, carries some risk, whether it be financial, people, markets, physical, political, regulatory or project relationships. We manage this for the client, develop mitigation measures and manage their implementation.
- Value management also comes into the mix, where we prioritise the degree of worth of every element of the project, concentrating on ensuring that the client receives the best value relative to their objectives. We also manage the cost.

Our other services are listed below. You'll also find more information on our website, or if you'd like to talk through what we offer, do give us a call.

WHAT WE DO

The Building Intelligence Group provides project management services for everything from multimillion dollar commercial and residential developments to the smallest one-off fitout.

Our services include:

- Project viability/feasibility studies
- Design team procurement
- Project planning
- Project design management and delivery
- Contractor procurement
- Accommodation sourcing and delivery
- Value management
- Risk management
- Critical path programming and resourcing
- Cost control

Other specialist services:

- Tenancy coordination
- Project evaluation and peer reviews
- Maintenance planning
- Due diligence and building audits
- Conservation and maintenance planning
- Resource consent management

TELL US WHAT YOU THINK

If you want to share an opinion, suggest a topic to be covered or want to know more about any of the stories in this issue of THINK®, contact us here: g.domanski@tbig.co.nz or go online to thebuildingintelligencegroup.co.nz

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