



Notice is hereby given that a Meeting of the Services and Assets Committee will be held on:

**Date:** Wednesday, 6 May 2020  
**Time:** 9am  
**Meeting Room:** Council Chamber  
**Venue:** 15 Forth Street  
Invercargill

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## **Services and Assets Committee Agenda OPEN**

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### **MEMBERSHIP**

<b>Chairperson</b>	Ebel Kremer Mayor Gary Tong
<b>Councillors</b>	Don Byars John Douglas Paul Duffy Bruce Ford Darren Frazer George Harpur Julie Keast Christine Menzies Karyn Owen Margie Ruddenklau Rob Scott

### **IN ATTENDANCE**

<b>Group Manager, Services and Assets</b>	Matt Russell
<b>Committee Advisor</b>	Fiona Dunlop

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**Full agendas are available on Council's Website**  
**[www.southlanddc.govt.nz](http://www.southlanddc.govt.nz)**

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**Note:** The reports contained within this agenda are for consideration and should not be construed as Council policy unless and until adopted. Should Members require further information relating to any reports, please contact the relevant manager, Chairperson or Deputy Chairperson.



## Terms of Reference – Services and Assets Committee

<b>TYPE OF COMMITTEE</b>	Council standing committee
<b>RESPONSIBLE TO</b>	Council
<b>SUBCOMMITTEES</b>	None
<b>LEGISLATIVE BASIS</b>	Committee constituted by Council as per schedule 7, clause 30 (1)(a), LGA 2002. Committee delegated powers by Council as per schedule 7, clause 32, LGA 2002.
<b>MEMBERSHIP</b>	The Services and Assets Committee is a committee of the whole Council. The mayor and all the councillors will be members of the Services and Assets Committee.
<b>FREQUENCY OF MEETINGS</b>	Six weekly or as required
<b>QUORUM</b>	A minimum of two members physically present with at least five other members attending by way of being physically present, by audio link or by audio visual link.
<b>SCOPE OF ACTIVITIES</b>	<p>The Services and Assets Committee is responsible for ensuring that Council delivers its infrastructural asset based services in an effective and efficient manner that meets the needs of its communities and protects the investment that Council has in these assets.</p> <p>The committee is responsible for overseeing the following Council activities:</p> <ul style="list-style-type: none"> <li>• transport</li> <li>• property management including community facilities, acquisitions and disposals (including land dealings)</li> <li>• forestry</li> <li>• water supply, wastewater and stormwater</li> <li>• solid waste management</li> <li>• flood protection</li> <li>• waste management</li> <li>• Te Anau airport</li> <li>• Stewart Island Electrical Supply Authority</li> <li>• Stewart Island Jetties and Riverton Harbour</li> <li>• water supply schemes.</li> </ul> <p>The committee is also responsible for making decisions on urgent matters relating to all Council services during the period of the COVID - 19 pandemic event.</p>
<b>DELEGATIONS</b>	<p>The Services and Assets Committee shall have the following delegated powers and be accountable to Council for the exercising of these powers:</p> <p><b>Power to Act</b></p>

	<p><b>The committee has the delegated authority to:</b></p> <ul style="list-style-type: none"> <li>a) assess and provide advice to Council on the strategic issues relating to the delivery of infrastructural asset services</li> <li>b) reviewing and recommending to Council strategies on how it should go about managing the delivery of the infrastructural asset services that it provides</li> <li>c) monitor the condition and performance capability of the infrastructural assets owned by Council so as to ensure that it protects its investment in these assets in accordance with accepted professional standards</li> <li>d) monitor the delivery of capital works projects and the implementation of the capital works programme</li> <li>e) monitor the delivery of operations and maintenance contracts</li> <li>f) approve and/or assign all contracts for work, services or supplies where those contracts relate to work within approved estimates. Where the value of the work, services, supplies or business case or the value over the term of the contract is estimated to exceed \$2 million a prior review and recommendation of the business case by the Finance and Assurance Committee is required. The business case shall include as a minimum; risk assessment, a procurement plan and financial costings. If there is a different recommendation from the Finance and Assurance Committee the matter will be referred to Council for a decision</li> <li>g) monitor the return on all Council's investments including forestry</li> <li>h) monitor and track Council contracts and compliance with contractual specifications.</li> <li>i) approve and/or assign all contracts for work, services or supplies for unbudgeted expenditure up to \$10 million and noting this excludes the power to borrow money, or purchase or dispose of assets, other than in accordance with the long-term plan.</li> </ul> <p><b>Power to Recommend</b></p> <p>The Services and Assets Committee is responsible for considering and making recommendations to Council regarding:</p> <ul style="list-style-type: none"> <li>a) policies relating to the scope of activities of the Services and Assets Committee</li> <li>b) changes to Council's adopted levels of service</li> <li>c) the dividend from the forestry business unit</li> </ul>
<b>FINANCIAL DELEGATIONS</b>	<p>Council authorises the following delegated authority of financial powers to Council committees in regard to matters within each committee's jurisdiction.</p> <p><b>Contract Acceptance:</b></p> <ul style="list-style-type: none"> <li>• accept or decline any contract for the purchase of goods, services, capital works or other assets where the total value of the lump sum contract does not exceed the sum allocated in the Long Term Plan/Annual Plan and the contract relates to an activity that is within the scope of activities relating to the work of the Services and Assets committee</li> </ul>



	<ul style="list-style-type: none"> <li>accept or decline any contract for the disposal of goods, plant or other assets other than property or land.</li> </ul> <p><b>Budget Reallocation.</b></p> <p>Committee is authorised to reallocate funds from one existing budget item to another. Reallocation of this kind must not impact on current or future levels of service and must be:</p> <ul style="list-style-type: none"> <li>funded by way of savings on existing budget items</li> <li>within the jurisdiction of the committee</li> <li>consistent with the Revenue and Financing Policy.</li> </ul>
<b>LIMITS TO DELEGATIONS</b>	<p>Matters that must be processed by way of recommendation to Council include:</p> <ul style="list-style-type: none"> <li>amendment to fees and charges relating to all activities</li> <li>powers that cannot be delegated to committees as per the Local Government Act 2002 and sections 2.4 and 2.5 of this manual.</li> </ul> <p>Delegated authority is within the financial limits in section 9 of this manual.</p>
<b>STAKEHOLDER RELATIONSHIPS</b>	<p>This committee shall maintain relationships including, but not limited to the following organisations:</p> <ul style="list-style-type: none"> <li>Community Boards</li> <li>Regional Land Transport Committee</li> <li>WasteNet</li> <li>FENZ (Fire and Emergency New Zealand)</li> </ul> <p>The committee will also hear and receive updates to Council from these organisations, as required.</p>
<b>CONTACT WITH MEDIA</b>	<p>The committee chairperson is the authorised spokesperson for the committee in all matters where the committee has authority or a particular interest.</p> <p>Committee members do not have delegated authority to speak to the media and/or outside agencies on behalf of Council on matters outside of the board's delegations.</p> <p>The group manager services and assets will manage the formal communications between the committee and the people of the Southland District and for the committee in the exercise of its business.</p> <p>Correspondence with central government, other local government agencies or official agencies will only take place through Council staff and will be undertaken under the name of Southland District Council.</p>

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**1 Apologies**

At the close of the agenda no apologies had been received.

**2 Leave of absence**

At the close of the agenda no requests for leave of absence had been received.

**3 Conflict of Interest**

Committee Members are reminded of the need to be vigilant to stand aside from decision-making when a conflict arises between their role as a member and any private or other external interest they might have.

**4 Public Forum**

Notification to speak is required by 5pm at least two days before the meeting. Further information is available on [www.southlanddc.govt.nz](http://www.southlanddc.govt.nz) or phoning 0800 732 732.

**5 Extraordinary/Urgent Items**

To consider, and if thought fit, to pass a resolution to permit the committee to consider any further items which do not appear on the Agenda of this meeting and/or the meeting to be held with the public excluded.

Such resolution is required to be made pursuant to Section 46A(7) of the Local Government Official Information and Meetings Act 1987, and the Chairperson must advise:

- (i) the reason why the item was not on the Agenda, and
- (ii) the reason why the discussion of this item cannot be delayed until a subsequent meeting.

Section 46A(7A) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

"Where an item is not on the agenda for a meeting,-

- (a) that item may be discussed at that meeting if-
  - (i) that item is a minor matter relating to the general business of the local authority; and
  - (ii) the presiding member explains at the beginning of the meeting, at a time when it is open to the public, that the item will be discussed at the meeting; but
- (b) no resolution, decision or recommendation may be made in respect of that item except to refer that item to a subsequent meeting of the local authority for further discussion."

**6 Confirmation of Minutes**

6.1 Meeting minutes of Services and Assets Committee, 24 March 2020



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## Services and Assets Committee

### OPEN MINUTES

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Minutes of a meeting of Services and Assets Committee held in the Council Chamber, 15 Forth Street, Invercargill on Tuesday, 24 March 2020 at 9am. (9am – 10.31am, 10.52am – 12.21pm) (Public Excluded 11.12am – 12.21pm))

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#### **PRESENT**

<b>Chairperson</b>	Ebel Kremer Mayor Gary Tong
<b>Councillors</b>	John Douglas Paul Duffy (10.07am - 10.31am, 10.52am – 12.21pm) Darren Frazer George Harpur (via audio link 9.26am – 10.31am, 10.52am – 12.21pm) Julie Keast (via audio link 9.40am – 10.31am, 10.52am – 12.21pm) Christine Menzies Karyn Owen Margie Ruddenklau Rob Scott

#### **APOLOGIES**

Councillor Ford

#### **ABSENT:**

Councillor Byars

#### **IN ATTENDANCE**

Group Manager, Services and Assets - Matt Russell  
Chief Executive – Steve Ruru  
Committee Advisor - Fiona Dunlop  
Publications Specialist – Chris Chilton

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**1 Apologies**

There were apologies from Councillor Ford.

Moved Chairperson Kremer, seconded Cr Scott **and resolved:**

**That the Council accept the apology.**

**2 Leave of absence**

There were no requests for leave of absence.

**3 Conflict of Interest**

There were no conflicts of interest declared.

**4 Public Forum**

Philip Todd – Manager of the Invercargill Top 10 Holiday Park was unable to attend the meeting but provided a written note to the meeting regarding his concerns with freedom campers and the covid-19 virus issue that New Zealand is facing.

**5 Extraordinary/Urgent Items**

There were no Extraordinary/Urgent items.

**6 Confirmation of Minutes**

**Resolution**

Moved Cr Owen, seconded Cr Frazer **and resolved:**

**That the Services and Assets Committee confirms the minutes of the meeting held on 11 February 2020 as a true and correct record of that meeting.**

**Reports**

**7.1 Services and Assets Programme Report**

**Record No: R/20/3/5424**

Project Delivery Manager – Nick Hamlin was in attendance for this item.

### Resolution

Moved Chairperson Kremer, seconded Cr Frazer **and resolved:**

**That the Services and Assets Committee:**

- a) **Receives the report titled “Services and Assets Programme Report” dated 13 March 2020.**

## 7.2 17A Community Facilities tender process update

**Record No: R/20/3/5507**

Contracts and Projects Administrator – Trudy Saunders and Community Facilities Manager – Mark Day were in attendance for this item.

The officers advised that the purpose of the report was to update the Committee on the work completed to date and next steps on the progress for the Community Facilities Service Delivery Review.

The Committee noted that the Community Facilities 17A Review outcomes were identified and endorsed by Council in February 2017. There have been multiple discussions with elected members and Council regarding the appropriate process for achieving the recommended outcomes.

(During discussion on the report, Councillor Keast joined the meeting via audio link at 9.26am and also Councillor Harpur at 9.40am.)

(Councillor Duffy joined the meeting at 10.07am.)

### Resolution

Moved Cr Douglas, seconded Cr Ruddenklau **recommendations a to d, e with changes (as indicated), f and g and a new h (as indicated) and resolved:**

**That the Services and Assets Committee:**

- a) **Receives the report titled “17A Community Facilities tender process update” dated 16 March 2020.**
- b) **Determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.**
- c) **Determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.**
- d) **Agrees with the proposal for an enhanced status quo procurement approach to enable Community Board consultation and direct negotiations with existing contractors.**

- e) Endorses the procurement plan for Community Facilities Service Delivery as follows:
1. Cleaning contracts – Office / hall cleaning and Fiordland cleaning to go to tender in April 2020.
  2. Toilet cleaning contracts – split into two separable portions via direct negotiation.
  3. Mowing contracts – after consultation with Community Boards to confirm service levels and scope, either by direct negotiation with existing contractors or by considering further options.
  4. Gardening contracts – after consultation with Community Boards to confirm service levels and scope, either by direct negotiation with existing contractors or by considering further options.
- ~~e) Endorses the procurement plan for Community Facilities Service Delivery as follows:~~
- ~~1. Cleaning contracts – Office / hall cleaning and Fiordland cleaning to go to tender in April 2020.~~
  - ~~2. Toilet cleaning contracts – split into two separable portions via direct negotiation.~~
  - ~~3. Mowing contracts – split into 6 separable portions with some direct negotiation with existing contractors and some being publically tendered.~~
  - ~~4. Gardening contracts – after consultation with Community Boards to confirm service levels and scope either directly negotiate with existing contractors or consider further options after the consultation.~~
- f) Approves under Section 7.3 of the Procurement Policy (2010) Alternative Procurement method of direct negotiation with selected existing contractors in principle.
- g) Understands that there may be changes made to the procurement plan between direct negotiation and open tender for certain separable portions based on market service availability, and as such, the identified proposal may not necessarily reflect the final procurement packages.
- New h Agree that the Committee recognises the implications of the covid 19 virus emergency and the potential for service provision to be jeopardised and as such acknowledges interim service provision solutions may be required and delegates authority to the Chief Executive to make these decisions through this period.**

(The meeting adjourned for morning tea at 10.31am and reconvened at 10.52am.)

(Mayor Tong, Councillors Douglas, Duffy, Frazer, Harpur (via audio link), Keast (via audio link), Menzies, Owen, Ruddenklau and Scott were present when the meeting reconvened.)

### **7.3 Alternative Procurement of Stewart Island Wind Power Predevelopment Consultant** **Record No: R/20/3/5494**

Group Manager Services and Assets – Matt Russell was in attendance for this item.

Mr Russell advised that the purpose of the report was to outline the background and issues around engaging a consultant to undertake the predevelopment phase of the Stewart Island wind power project and determine the most suitable approach within the Council's current procurement policy.

The Committee noted that the Council has entered in to a funding agreement with the Ministry of Business, Innovation and Employment for the development of wind power generation on Stewart Island.

#### **Resolution**

Moved Mayor Tong, seconded Chairperson Kremer **and resolved:**

**That the Services and Assets Committee:**

- a) **Receives the report titled "Alternative Procurement of Stewart Island Wind Power Predevelopment Consultant" dated 13 March 2020.**
- b) **Determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.**
- c) **Determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.**
- d) **Approves the alternative procurement method to directly negotiate with a consultant, Roaring 40s Wind Power, for the predevelopment phase of the Stewart Island wind power project to be funded from the Ministry of Business, Innovation and Employment Provincial Growth Fund funding received for this project.**

### **7.4 Roothing Operations - January and February 2020** **Record No: R/20/3/5576**

Strategic Manager Transport – Hartley Hare was present for this item.

Mr Hare advised that the purpose of the report was to update the committee on the progress of the major roading maintenance contracts and provide some context to the 2019/20 budget.



## Resolution

Moved Chairperson Kremer, seconded Cr Menzies **and resolved:**

**That the Services and Assets Committee:**

- a) **Receives the report titled "Roading Operations - January and February 2020" dated 13 March 2020.**

## Public Excluded

### Exclusion of the Public: Local Government Official Information and Meetings Act 1987

## Resolution

Moved Chairperson Kremer, seconded Cr Douglas **and resolved:**

**That the public be excluded from the following part(s) of the proceedings of this meeting.**

### **C8.1 Lake Monowai Road Canal Bridge Tender Award**

### **C8.2 Alternative Procurement for Supplier of Services to Stewart Island Electricity Supply Authority (SIESA)**

### **C8.3 Structural Engineering Services Contract for Transport**

**The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:**

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
Lake Monowai Road Canal Bridge Tender Award	s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.
Alternative Procurement for Supplier of Services to Stewart Island Electricity Supply Authority (SIESA)	s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.
Structural Engineering Services Contract for Transport	s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.

That the Chief Executive, Group Manager, Services and Assets, Publications Specialist and Committee Advisor be permitted to remain at this meeting, after the public has been excluded, because of their knowledge of the items C8.1 Lake Monowai Road Canal Bridge Tender Award, C8.2

Alternative Procurement for Supplier of Services to Stewart Island Electricity Supply Authority (SIESA) and C8.3 Structural Engineering Services Contract for Transport. This knowledge, which will be of assistance in relation to the matters to be discussed, is relevant to those matters because of their knowledge on the issues discussed and meeting procedure.

That Strategic Manager Transport – Hartley Hare be permitted to remain at this meeting, after the public has been excluded, because of their knowledge of the items C8.1 Lake Monowai Road Canal Bridge Tender Award and C8.3 Structural Engineering Services Contract for Transport. This knowledge, which will be of assistance in relation to the matters to be discussed, is relevant to those matters because of their knowledge on the issues discussed.

The public were excluded at 11.12am.

Resolutions in relation to the confidential items are recorded in the confidential section of these minutes and are not publicly available unless released here.

The meeting concluded at 12.21pm.

CONFIRMED AS A TRUE AND CORRECT RECORD AT A  
MEETING OF THE SERVICES AND ASSETS  
COMMITTEE HELD ON TUESDAY 24 MARCH 2020.

**DATE:**.....

**CHAIRPERSON:**.....

## IFS Growth Forest Manager's Report of Forestry Activity for Period to 31 January 2020

Record No: R/20/3/5582

Author: Ashby Brown, Commercial Infrastructure Manager

Approved by: Matt Russell, Group Manager Services and Assets

☐ Decision

☐ Recommendation

☒ Information

### Report Summary

- 1 The IFS Growth Forest Manager's Report advises of forestry activity for the period to 31 January 2020.

### Southland District Council Forestry Activity

- 2 The IFS Growth Forest Manager's report received is attached.

### Recommendation

**That the Services and Assets Committee:**

- a) **Receives the report titled "IFS Growth Forest Manager's Report of Forestry Activity for Period to 31 January 2020" dated 17 March 2020.**

### Attachments

- A Memorandum to Services and Assets Committee - February 2020 [↓](#)
- B Southland District Council Waikaia 5 1 Block 3 Reconcile 19 Final [↓](#)



## FORESTRY REPORT FOR PERIOD TO 31<sup>ST</sup> JANUARY 2020

This report covers activity for the year to date, till the 31<sup>st</sup> January 2020, with some commentary on the following year's program.

### Financial Summary

The projected full-year performance for the forestry business remains positive and on target to forecast.

With all harvesting completed earlier in the financial year, activity now concentrates on forest growing and maintenance operations. This recent period has included land preparation for the 2020 planting area, aerial releasing, pruning and thinning, and road and forest maintenance.

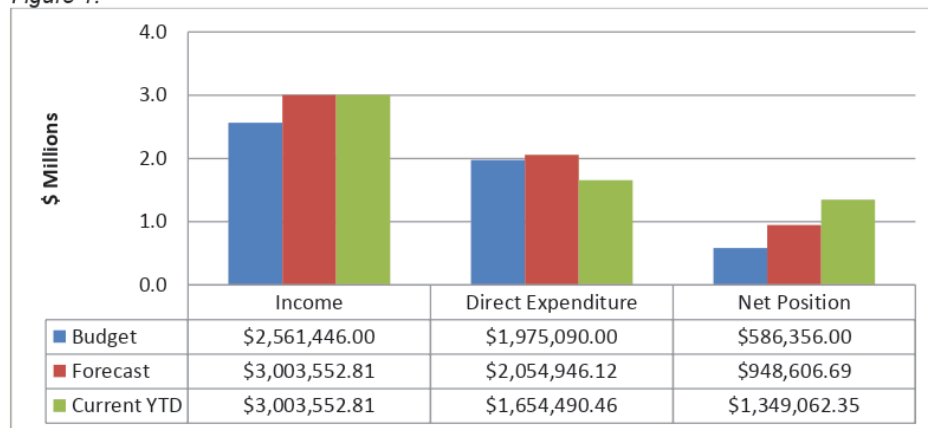
Forest income for the YTD remains at \$3M, an improvement of \$442K on budget.

Forestry expenditure for the YTD is currently \$1.6M. There is a \$400K expenditure forecast for the remainder of the year.

The current YTD net position of \$1.3M is forecast to be \$948K by the end of the financial year.

The full year performance for the forestry business against budget is summarized in figure 1.

Figure 1:



## Operations Summary

### Health & Safety

There have been a couple of illegal incidents involving a car being dumped and gate vandalism at Ohai. Both issues have been rectified.

A hazardous bridge deck also at Ohai has also been fixed.

### Harvesting

This years harvesting program was completed during October, with a volume of 28,163 tonnes harvested out of the Waikaia Forest.

This volume included 27,830 tonnes of Radiata and 333 tonnes of Eucalyptus.

There was uncertainty prior to the approval of this work due to a major fall in export prices. This was caused by a combination of effects in China, primarily an over buoyant market, subsequent oversupply, and the US trade war.

The situation at the time was (August '19 report):

*For the SDC Waikaia harvest the financial exposure to export is on 34% of the volume. The remaining two thirds of domestic volume has log price fixed at good winter premiums.*

*IFS is working through the options with exporters and domestic suppliers in the interim and will provide these to council later this week. We are confident that the SDC will still achieve its \$1.4M return target at Waikaia.*

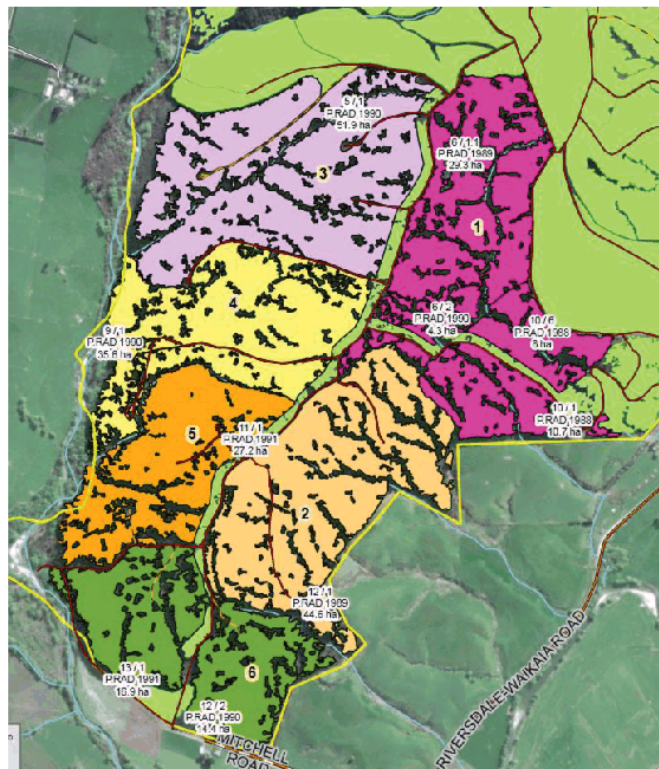
The outcome was that we were able to negotiate better export pricing (substantially above the spot market) with our exporter and the domestic mills keep to their promise. This is where relationships really matter.

The net return achieved was \$1.489K.

A final harvest reconciliation report is attached to. This compares the preharvest estimate in May (before the log market drop) to the actuals.

### Harvesting next year 2020/21

Block 4 - 35 hectares (19,000 tonnes) can be considered for harvesting as of July 2020. IFS will present an appraisal to the SDC closer to the time. Current markets are still in a state of uncertainty – but we are still managing to operate all of our logging crews and getting acceptable log pricing for forest owners.



### Archaeological Update

The post-harvest assessment (as per the consent process) has been completed and approved by Heritage NZ, there are no issues. Matt Sole (SDC Archaeologist) was happy with the protection during harvesting and the management so far. We are all getting a better handle on arch sites with each harvest area completed.

Harvesting to date has been in the Twin Scrubby Terraces water race area. The workings, reservoirs and occupation sites are within Harvest areas 5 and 6 which will be harvested from 2021. All areas have been granted under the application for archaeological authority with Heritage NZ.

**Forest Growing, Silviculture & Maintenance**

Other forestry activities over this period and on the horizon include (crossed out are completed):

Ohai

~~Post-plant spray 2019 crop~~  
~~Pruning and Thinning~~  
~~Maintenance spray and mow~~  
~~Preharvest & Mid Rotation Inventory~~  
2019 survival assessment

Gowan Hills

~~Pruning & Thinning~~  
~~Maintenance spray and mow~~  
Preharvest & Mid Rotation Inventory

Waikaia

~~Post-plant spray 2019 crop~~  
Windrowing and Preplant Spray for 2020 crop  
~~Maintenance spray and mow~~  
~~Preharvest & Mid Rotation Inventory~~  
2019 survival assessment

Dipton

~~Maintenance spray~~  
Pruning

**Carbon**

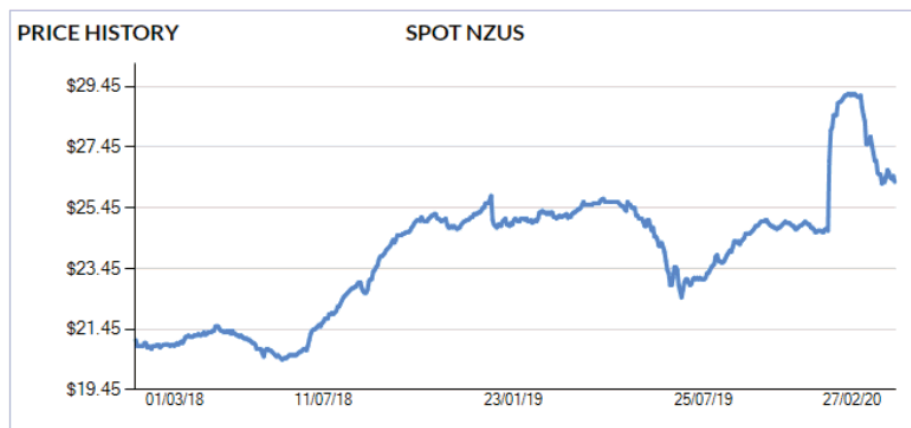
The Voluntary Emissions Return for 2019 has been completed and 3,692 units received. All carbon accounting is now up to date.

The council currently have 105,632 NZUs in their holding account:

Pre-1990 = 82,914 NZU.

Post-1989 = 19,026 NZU.

Current price = \$26.50/NZU



Source: OMF Financial (CommTrade)





# SDC WAIKAIA FOREST

Block 3 (Cmpt 5/1, 1990, Age 29) -  
2019/20



## Final Report to 31 October 2019

<b>Appraisal</b> May'19											
Area	51.7	Volume t/ha	24971.1	483	Return \$	1,509,031	\$/t	\$ 60.43	\$/ha	\$ 29,188.22	<b>Budget</b>
Less		Establishment			\$	12,000					\$ 1,498,978
		Roading			\$	19,977					\$ 59.80
					<b>\$ 1,497,031</b>		<b>\$ 59.95</b>		\$ 28,956.11		
Reappraisal	July'19 (Market Drop)				<b>\$ 1,406,793</b>						
<b>Actual</b>											
Area	51.2	Volume t/ha	27830	619	Return \$	1,503,582	\$/t	\$ 54.03	\$/ha	\$ 29,366.83	
Less		Establishment			\$	14,830					
		Roading			\$	16,847					
					<b>\$ 1,488,751</b>		<b>\$ 53.49</b>		<b>\$ 29,077.17</b>		
<b>Variance to Budget</b>											
			<b>2859</b> tonnes		<b>-\$</b>	<b>8,280</b>					
			11%			-1%					

LOG GRADE	P1	P2	S	L	A	K	KI	KM	KIS	Post	Chip
Budget	11%	4%	23%	12%	12%	12%	5%	2%	3%	0%	16%
Actual	12%	2%	20%	21%	9%	18%	2%	1%	0%	3%	12%
SDCW0501P	11%	4%	23%	12%	12%	11%	5%		5%		16%

PHI

### JAS Conversion

Budget					0.96	0.9	0.88	0.85	0.9		
Actual					0.95	0.85	0.87	0.81			



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## Services and Assets Programme Report

**Record No:** R/20/4/9697

**Author:** Trudy Saunders, Contracts and Projects Administrator

**Approved by:** Matt Russell, Group Manager Services and Assets

☐ Decision

☐ Recommendation

☒ Information

---

### Summary

- 1 CAMMS Project tracks all Services and Assets projects. This report seeks to update the status of these projects to this Committee.
- 2 Please see attached report for your information.

### Recommendation

**That the Services and Assets Committee:**

- a) **Receives the report titled “Services and Assets Programme Report” dated 22 April 2020.**

### Attachments

- A Services and Assets Programme Report as at 16 April 2020 [↓](#)

# Services and Assets Programme Report

Date: 21/04/2020

Author: Trudy Saunders, Nick Hamlin

## Projects Count and Expenditure Totals for 2019 – 2020 – open projects

Total Project Count: 108

Total Project Expenditure: \$28,291,528.47 – budgets have increased by nearly \$2 million since the last report due to Roding Project budgets now included in CAMMS.

## Total Budgets for Projects by Financial Year



## Executive Summary

### 1. Covid 19 Overview and status

All projects were suspended during level 4 lock down

High priority projects (ready to go at level 3) have been identified as

- Road Rehabs
- Bridge replacement packages
- Te Anau pump line
- Otautau water main
- Tower block roof replacement
- Stewart Island infrastructure works

### 2. Below is a summary of the overall asset programme of works

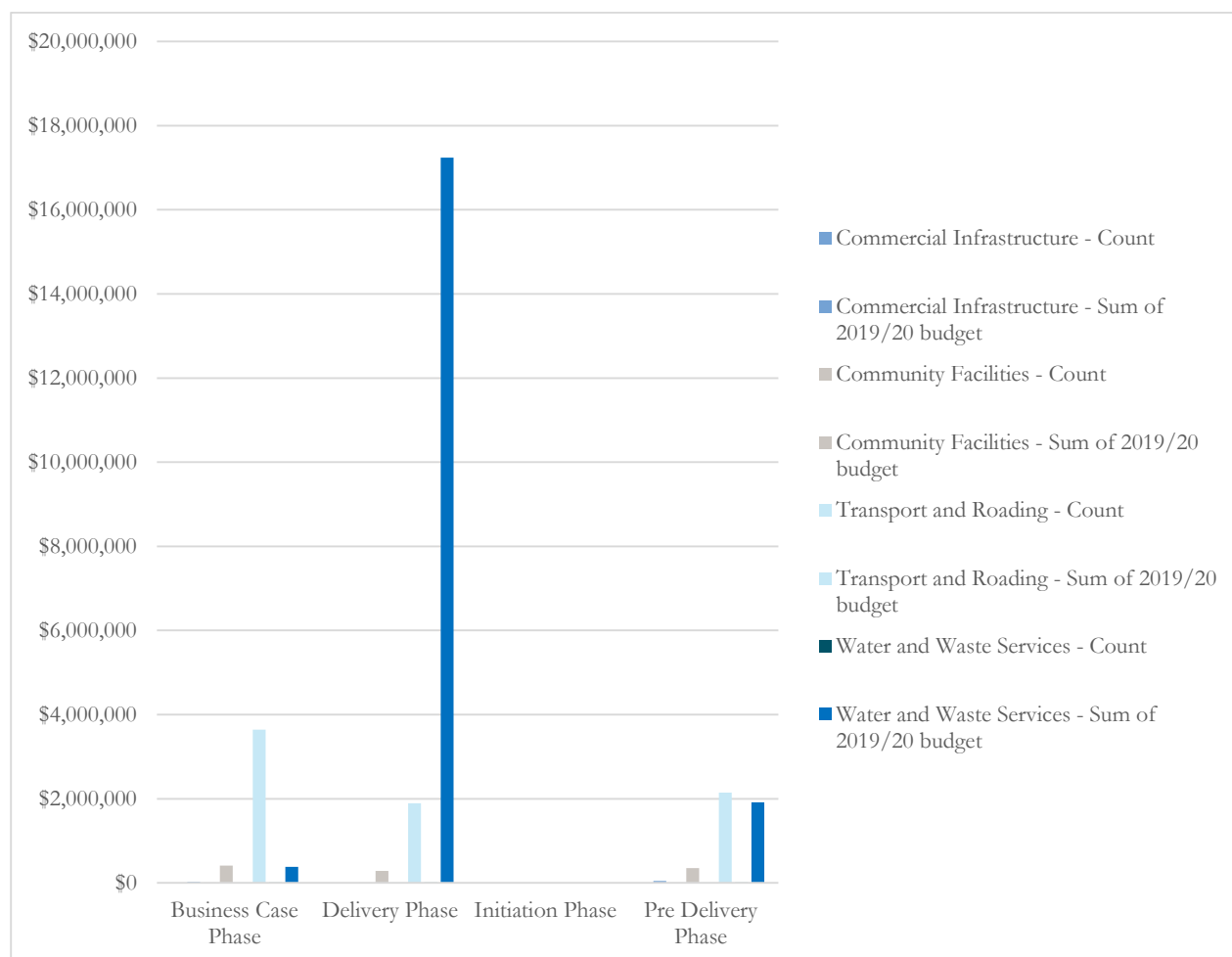
Currently \$28m of works is underway in the 19/20 works programme

\$0.0m is in Initiation phase

- \$4.4m in business case phase  
 \$4.4m is in pre delivery phase (design / tender and consents)  
 \$19.4m is in construction delivery
3. Total current project counts is as follows
    - Community Facilities 31
    - Waste and water 48
    - Rooding 26
    - Commercial Infrastructure 3
  4. Completed projects in the last month include
    - a. No projects were recorded as completed due to lock down
  5. Key Projects due to start in construction over next 2 months
    - a. Te Anau Waste water processing plant
    - b. Te Anau watermain replacements
    - c. Athol railway project
    - d. Regional footpath replacements
    - e. Waste water pond fencing

## 2019-20 by Activity and Phase

Row Labels	Commercial Infrastructure		Community Facilities		Transport and Rooding		Water and Waste Services		Total Sum of 2019/20 budget	
	Count	Sum of 2019/20 budget	Count	Sum of 2019/20 budget	Count	Sum of 2019/20 budget	Count	Sum of 2019/20 budget	Total Count	Total Sum of 2019/20 budget
Business Case Phase	1	\$ 20,000.00	18	\$ 411,640.00	13	\$ 3,640,726.00	17	\$ 384,375.00	49	\$ 4,456,741.00
Delivery Phase	4	\$ 287,743.00	4	\$ 287,743.00	5	\$ 1,891,323.00	14	\$ 17,239,120.02	23	\$ 19,418,186.02
Initiation Phase							2	\$ -	2	\$ -
Pre Delivery Phase	2	\$ 45,169.00	9	\$ 353,397.45	8	\$ 2,102,670.00	15	\$ 1,915,365.00	34	\$ 4,416,601.45
<b>Grand Total</b>	<b>3</b>	<b>\$ 65,169.00</b>	<b>31</b>	<b>\$ 1,052,780.45</b>	<b>26</b>	<b>\$ 7,634,719.00</b>	<b>48</b>	<b>\$ 19,538,860.02</b>	<b>108</b>	<b>\$ 28,291,528.47</b>



## Major Projects

### Water and Waste

Activity Name	Current Phase	Code	Project Name	19/20 Budget	20/21 Budget
Waste Water	Delivery Phase	P-10155	Te Anau Waste Water Treatment Plant	\$ 12,819,852.00	\$ 7,270,531.00
Water Supply	Delivery Phase	P-10257	Te Anau- Water Mains Quintin Mokoroa Renewal	\$ 1,518,000.00	\$ 500,000.00
Water Supply	Pre Delivery Phase	P-10256	Otautau- Water Main Replacement north of bridge	\$ 1,425,000.00	\$ 475,000.00

### Roading

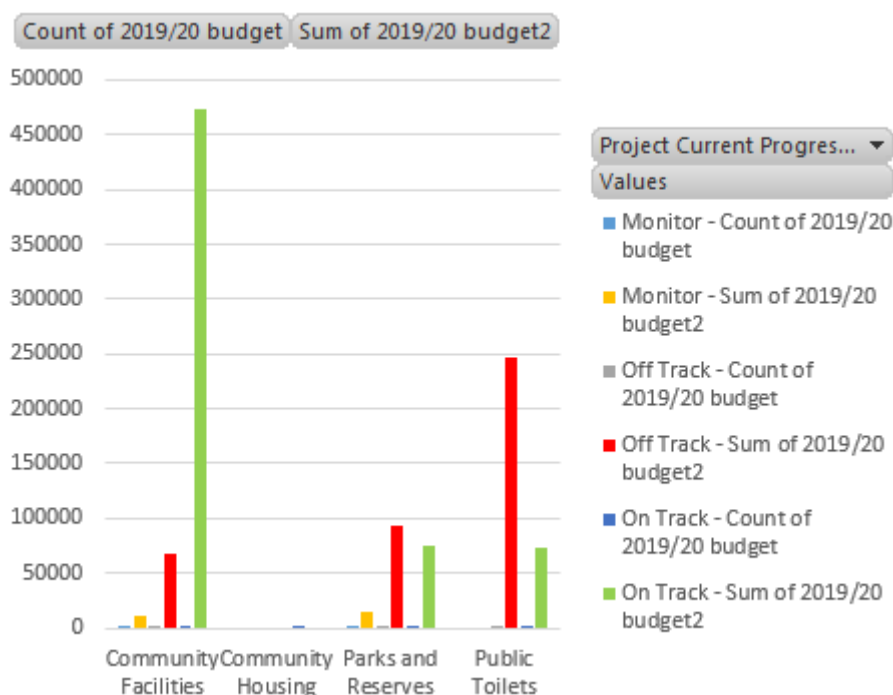
Activity Name	Current Phase	Code	Project Name	2019/20 budget
Roads and Footpaths	Business Case Phase	P-10369	2019/20 Bridge replacement programme - Northern	\$ 1,544,121.00
Roads and Footpaths	Delivery Phase	P-10327	Otapiri Gorge Road Rehabilitation	\$ 1,100,000.00
Roads and Footpaths	Pre Delivery Phase	P-10329	2019/20 Bridge replacement programme - Southern	\$ 1,610,182.00

## Activity by Status

## Community Facilities

## 2019-20

	Monitor	Off Track	On Track	Total Count of 2019/20 budget	Total Sum of 2019/20 budget2
Row Labels	Count of 2019/20 budget2	Count of 2019/20 budget2	Count of 2019/20 budget2		
Community Facilities	1 \$ 10,220.00	4 \$ 67,216.00	11 \$ 472,687.45	16	\$ 550,123.45
Community Housing			1 \$ -	1	\$ -
Parks and Reserves	1 \$ 15,110.00	5 \$ 93,892.00	2 \$ 75,000.00	8	\$ 184,002.00
Public Toilets		2 \$ 246,021.00	4 \$ 72,634.00	6	\$ 318,655.00
<b>Grand Total</b>	<b>2 \$ 25,330.00</b>	<b>11 \$ 407,129.00</b>	<b>18 \$ 620,321.45</b>	<b>31</b>	<b>\$ 1,052,780.45</b>



With the impact of COVID19 there are a number of projects that may not be completed by the end of the financial year.

These include the replacement toilet at the Wyndham camping ground, the flying fox at Tuatapere, the kitchen upgrade at the Limehills community centre, installation of CCTV in the Te Anau CBD, the Monkey Island camping area upgrade and the upgrade of the Clifden hall.

Some of these projects require unbudgeted expenditure reports to be approved by Community Boards and Council. The reports were ready for the meetings, however the meetings were subsequently cancelled.

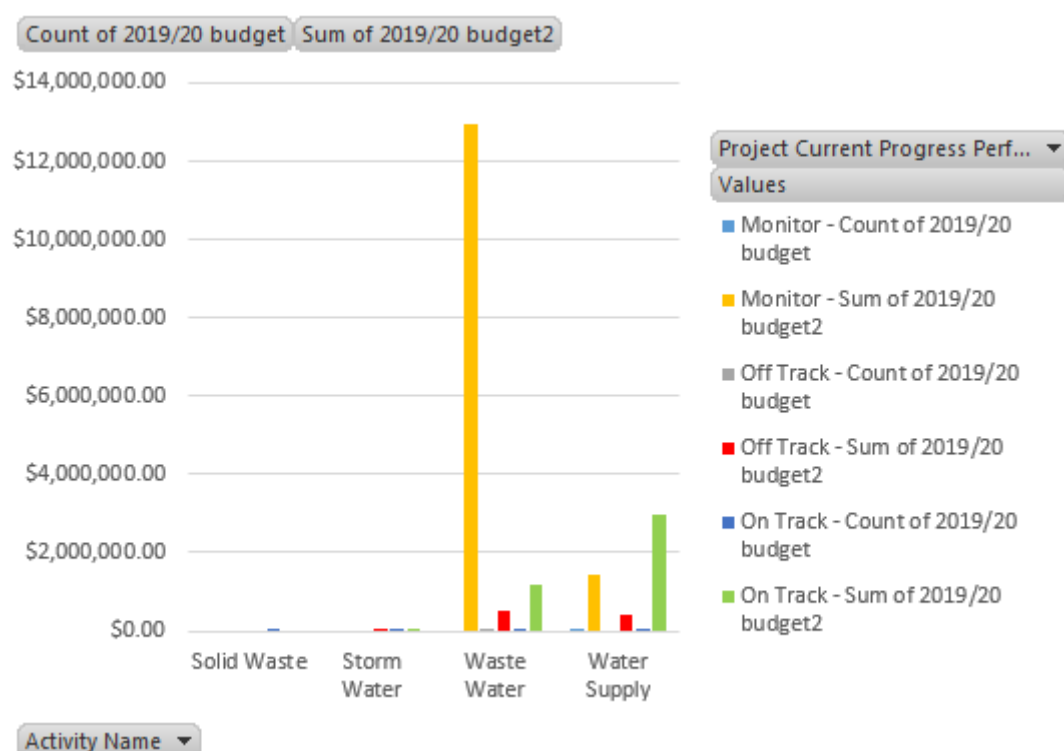
The Fiordland Community Board has requested that the CCTV project be put on hold so they can redirect the budget elsewhere if necessary. A lot will depend on the availability of contractors to undertake the works associated with the projects based on their priorities.



## Water and Waste

### 2019-20

	Monitor		Off Track		On Track		Total Count of 2019/20 budget	Total Sum of 2019/20 budget2
Row Labels	Count of 2019/20 budget	Sum of 2019/20 budget2	Count of 2019/20 budget	Sum of 2019/20 budget2	Count of 2019/20 budget	Sum of 2019/20 budget2		
Solid Waste					3	\$ -	3	\$ -
Storm Water			1	\$ 12,834.00	3	\$ 10,000.00	4	\$ 22,834.00
Waste Water	2	\$12,968,852.00	4	\$ 518,556.00	12	\$ 1,182,736.02	18	\$ 14,670,144.02
Water Supply	3	\$ 1,458,665.00	2	\$ 429,777.00	18	\$ 2,957,440.00	23	\$ 4,845,882.00
Grand Total	5	\$14,427,517.00	7	\$ 961,167.00	36	\$ 4,150,176.02	48	\$ 19,538,860.02



The Te Anau Waste Water project is continuing to be re-designed from CPI to SDI. The Te Anau Membrane filtration tender is currently going through a value engineering process with the preferred tenderer. A report updating programme and cost will be presented to Finance and Assurance Committee on 30 April and Council on 2 May 2020.

The Te Anau Watermain contract has now been awarded to Te Anau Earthworks and construction will begin in early April.

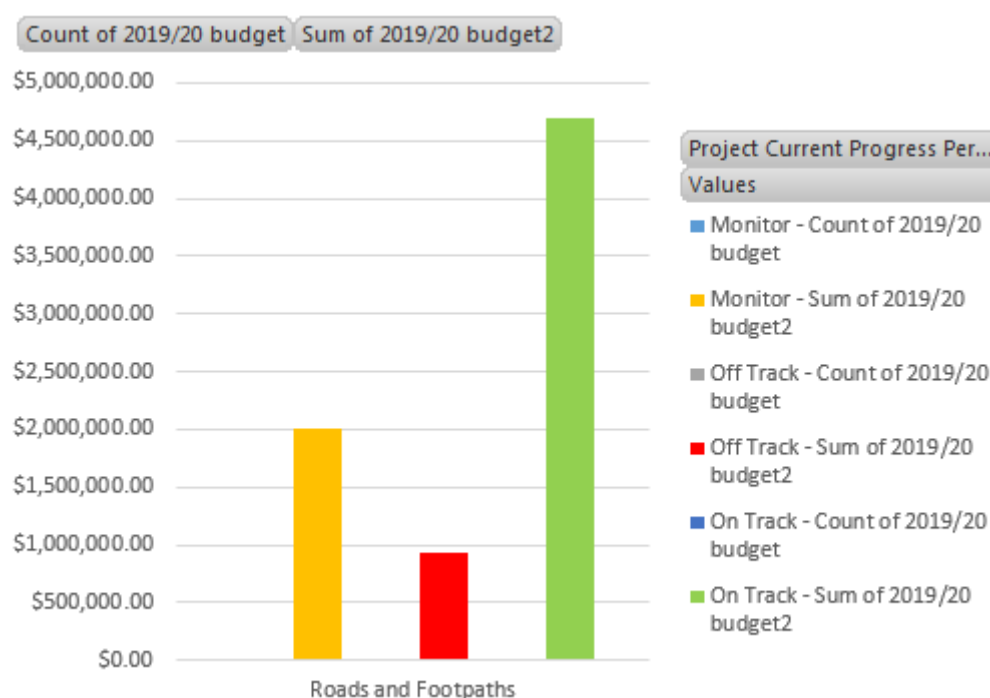
Otautau watermain renewals is progressing well.

At the time of writing all Water and Waste projects are on hold due to ongoing Level 4 lockdown.

## Roading

### 2019-20

	Monitor		Off Track		On Track		Total Count of 2019/20 budget	Total Sum of 2019/20 budget2
Row Labels	Count of 2019/20 budget	Sum of 2019/20 budget2	Count of 2019/20 budget	Sum of 2019/20 budget2	Count of 2019/20 budget	Sum of 2019/20 budget2		
Roads and Footpaths	6	\$ 2,005,182.00	6	\$ 937,528.00	14	\$ 4,692,009.00	26	\$ 7,634,719.00
Grand Total	6	\$ 2,005,182.00	6	\$ 937,528.00	14	\$ 4,692,009.00	26	\$ 7,634,719.00



The bridges design and build replacement programme contracts have been awarded and initial pre-start meetings have been held. The Bridge replacement programmes (with culverts) contracts have been awarded – Northern package to SouthRoads and Southern package to Downers. The Roding Company and Wilsons Contractors have each been awarded a bridge to culvert replacement package of works.

There has been good progress for the pavement rehab programme with all sites sealed. The 2019-20 reseal programme was 95% completed at the start of lockdown. No more works will be undertaken this reseal season.

Lake Monowai Road canal bridge replacement is due to be awarded post lockdown.

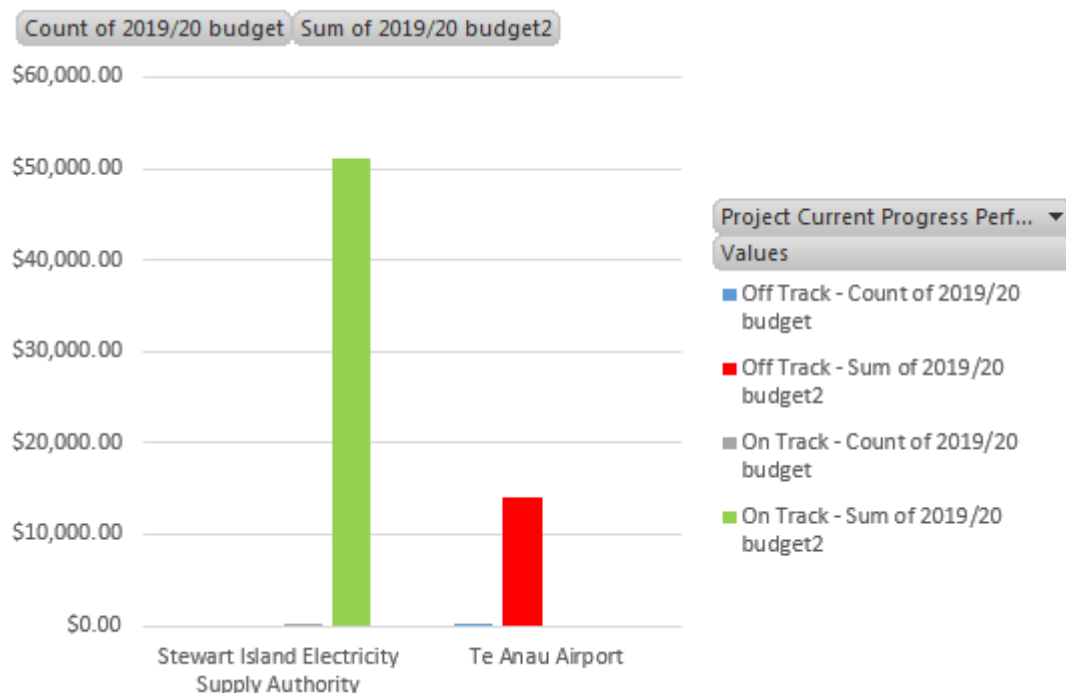
Otapiri Gorge Road Rehabilitation is sealed with only minor works tidy up works still to be completed.

Some projects have been delayed due to contractors prioritising flood damage works. It is anticipated that this will not affect the completion dates.

## Commercial Infrastructure

### 2019-20

	Off Track		On Track		Total Count of 2019/20 budget	Total Sum of 2019/20 budget2
Row Labels	Count of 2019/20 budget	Sum of 2019/20 budget2	Count of 2019/20 budget	Sum of 2019/20 budget2		
Stewart Island Electricity Supply Authority			2	\$ 51,169.00	2	\$ 51,169.00
Te Anau Airport	1	\$ 14,000.00			1	\$ 14,000.00
Grand Total	1	\$ 14,000.00	2	\$ 51,169.00	3	\$ 65,169.00

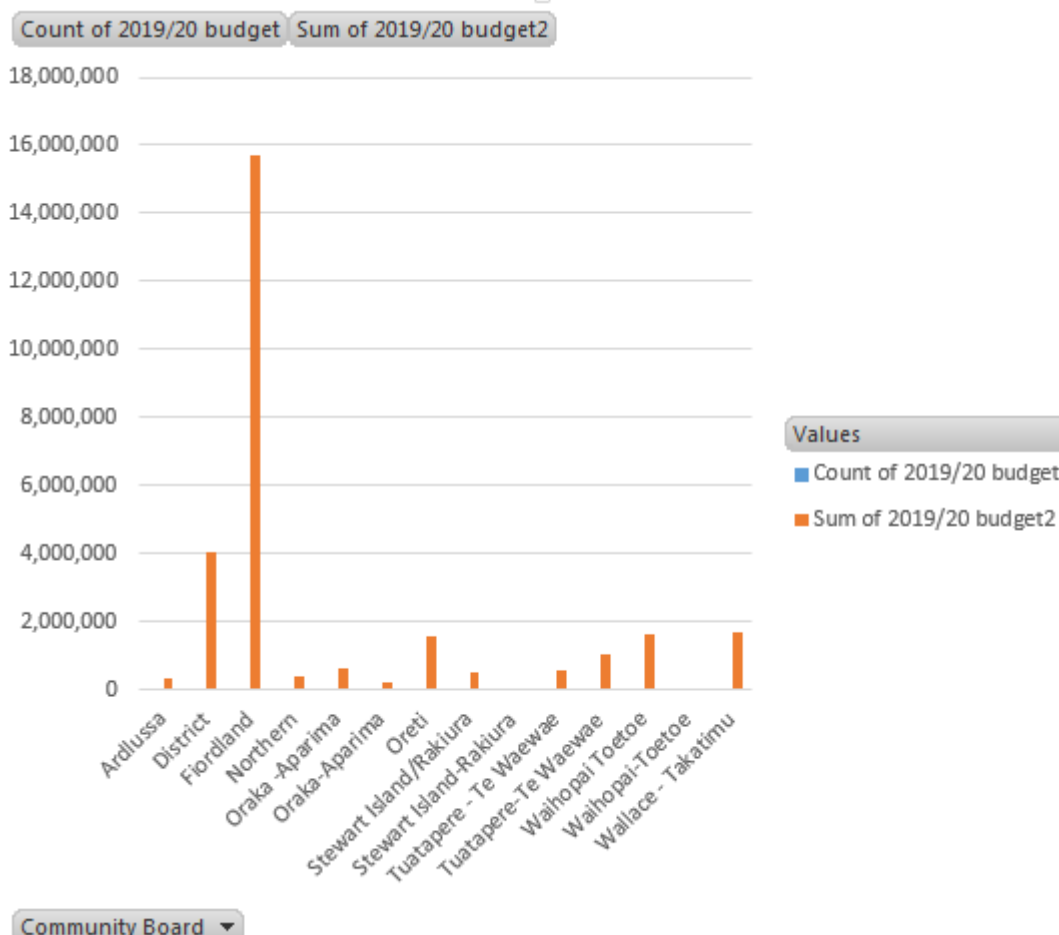


Pending handover report due from Powernet this financial year, including assessment of components will inform future maintenance strategy and capital works programme to be developed through the LTP 2031 process.

Te Anau Manapouri Airport capital works projects, generally associated with maintaining Part 139 certification are to be cancelled or deferred. Most projects, such as security fencing, were conceived on a risk or future demand basis and not strictly critical to maintaining certification status. The helipad project currently off-track is likely to be deferred also in the interim due to Covid-19 and a desire to minimise expenditure wherever possible.

## Projects by Location 2019-20

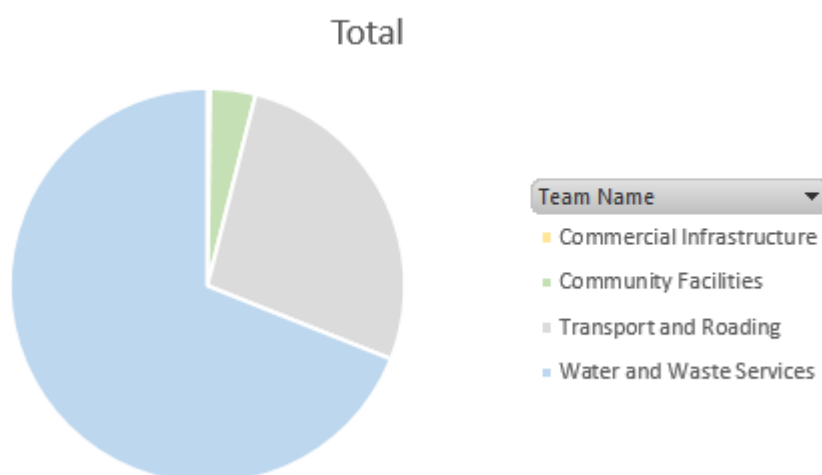
Row Labels	Count of 2019/20 budget	Sum of 2019/20 budget2
Ardlussa	3	\$ 321,482.00
District	12	\$ 4,040,137.02
Fiordland	23	\$ 15,699,839.00
Northern	7	\$ 398,080.00
Oraka -Aparima	10	\$ 644,063.00
Oraka-Aparima	1	\$ 200,992.00
Oreti	11	\$ 1,598,565.45
Stewart Island/Rakiura	13	\$ 514,014.00
Stewart Island-Rakiura	1	\$ 20,000.00
Tuatapere - Te Waewae	5	\$ 549,398.00
Tuatapere-Te Waewae	3	\$ 1,023,296.00
Waihopai Toetoe	13	\$ 1,611,582.00
Waihopai-Toetoe	1	\$ 44,800.00
Wallace - Takatimu	5	\$ 1,665,280.00
<b>Grand Total</b>	<b>108</b>	<b>\$ 28,331,528.47</b>



## Projects by Activity Group – 2019-20

Row Labels	Sum of 2019/20 budget
Commercial Infrastructure	\$ 65,169.00
Community Facilities	\$ 1,052,780.45
Transport and Roothing	\$ 7,674,719.00
Water and Waste Services	\$ 19,538,860.02
<b>Grand Total</b>	<b>\$ 28,331,528.47</b>

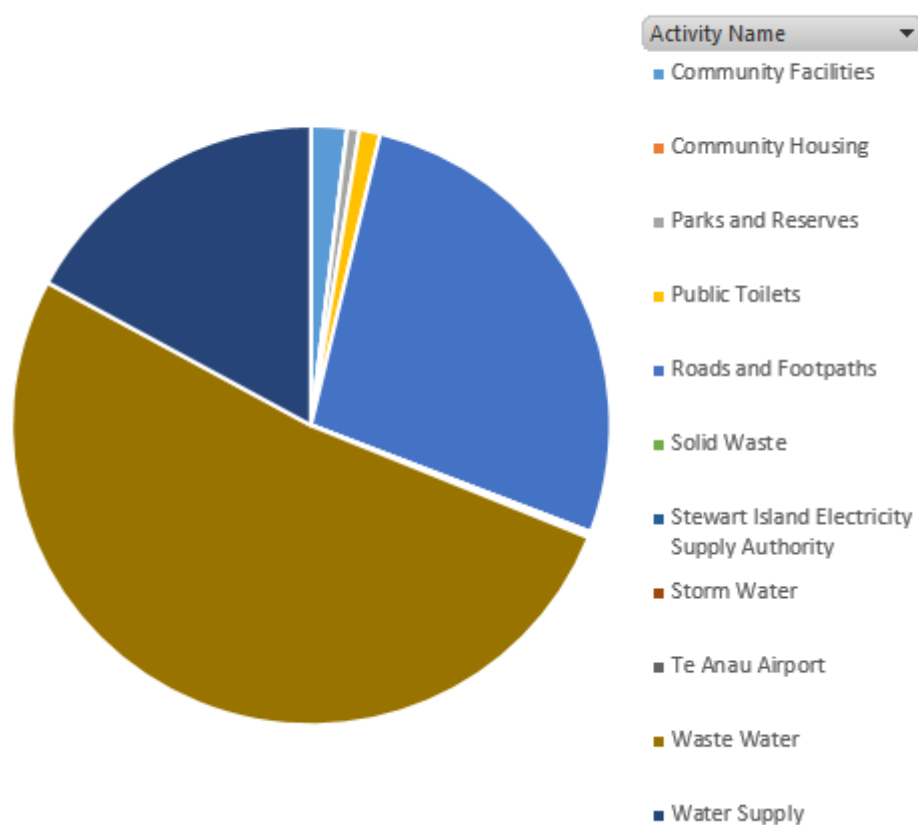
Sum of 2019/20 budget



## Projects by Activity Name and Expenditure – 2019-20

Row Labels	Sum of 2019/20 budget
Community Facilities	\$ 550,123.45
Community Housing	\$ -
Parks and Reserves	\$ 184,002.00
Public Toilets	\$ 318,655.00
Roads and Footpaths	\$ 7,674,719.00
Solid Waste	\$ -
Stewart Island Electricity Supply Authority	\$ 51,169.00
Storm Water	\$ 22,834.00
Te Anau Airport	\$ 14,000.00
Waste Water	\$ 14,670,144.02
Water Supply	\$ 4,845,882.00
<b>Grand Total</b>	<b>\$ 28,331,528.47</b>

Total



# Downer Water and Wastewater Maintenance Contract 10/01 - Monthly Report for January 2020

Record No: R/20/3/5359

Author: Bill Witham, Manager Operations - Water and Waste

Approved by: Matt Russell, Group Manager Services and Assets

☐ Decision

☐ Recommendation

☒ Information

## Background

- 1 Downer was awarded Contract 10/01 for delivery of water and wastewater services to Council for the Southland District. The contract was awarded in 2010 for a maximum period of 12 years.

## Purpose

- 2 The purpose of this report is to update the committee on the progress of this contract.

## Summary

- 3 KPI scoring of 92% for January 2020 equalling the previous month.

## Compliance (Drinking-water)

- 4 All drinking water compliance testing was completed and carried out as per New Zealand Drinking-water Standards. All samples were absent of Escherichia Coli, thus meeting the required bacteriological standards.

## Compliance (Environmental)

- 5 There were no non-compliant tests during January.

## Operations and Maintenance

- 6 Service request calls for January 2020 were 180 including 127 water, 25 rural water, 6 sewer, 5 stormwater and 2 general calls. Storm water calls were elevated due to inclement weather.

## Financial

- 7 There are no outstanding variations.

## Customer Service

- 8 There were 156 service requests received with all but 1 inspected within the required response time.

## Health and Safety

- 9 There was one incident reported in January:

- A staff member was assaulted by a member of the public.

## Quality Assurance

- 10 No non-conformance/opportunity for improvement reports were issued and no instances of rework or product failure during the month.

## **Recommendation**

**That the Services and Assets Committee:**

- a) Receives the report titled “Downer Water and Wastewater Maintenance Contract 10/01 - Monthly Report for January 2020” dated 17 March 2020.**

## **Attachments**

- A Downer Monthly Summary Report - January 2020 [↓](#)
- B Downer Utilities Monthly Report January 2020 [↓](#)





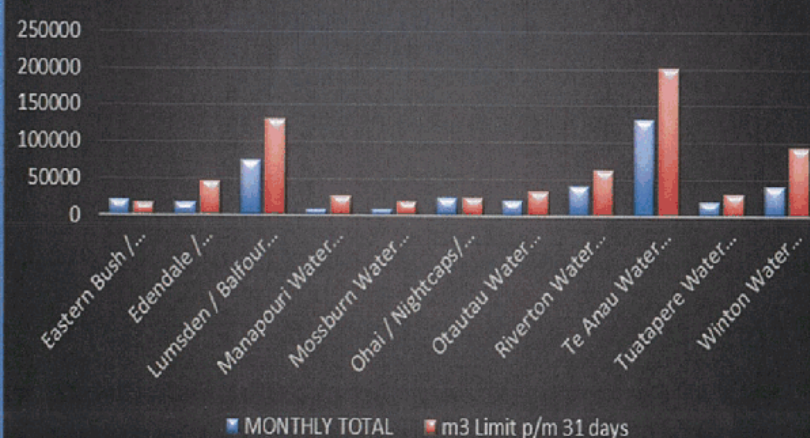
# SOUTHLAND DISTRICT COUNCIL—WATER AND WASTEWATER MAINTENANCE CONTRACT

120/15/10/01

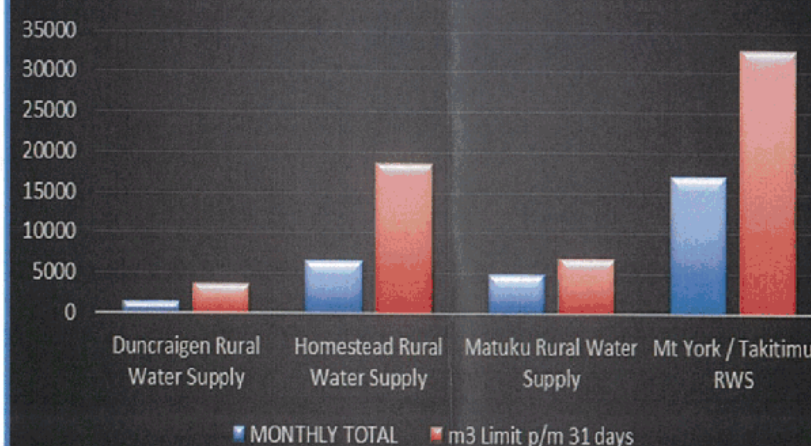
## MONTHLY SUMMARY REPORT - JANUARY 2020



### URBAN WATER SUPPLY WATER TAKE COMPLIANCE



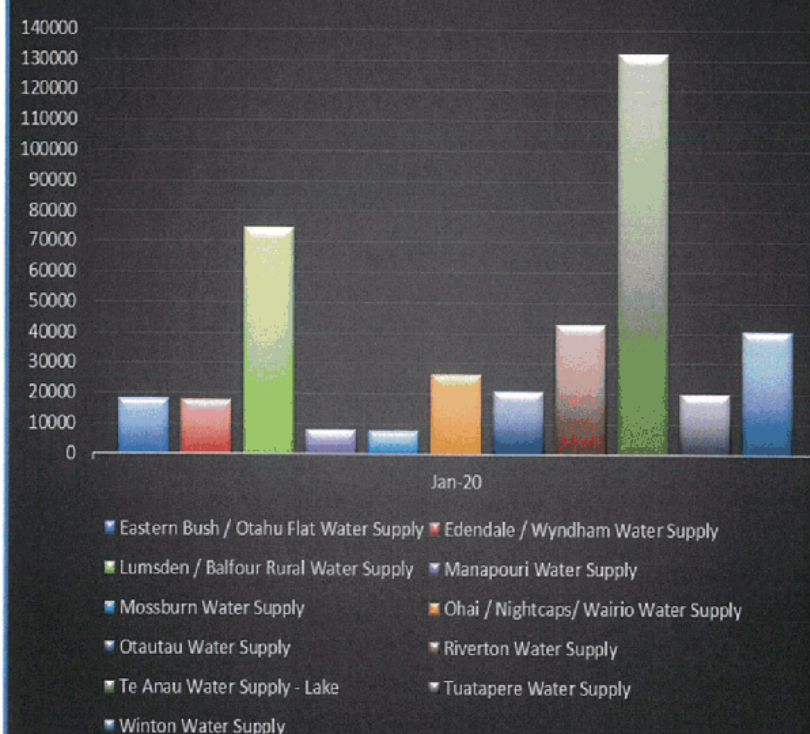
### RURAL WATER SUPPLY WATER TAKE COMPLIANCE



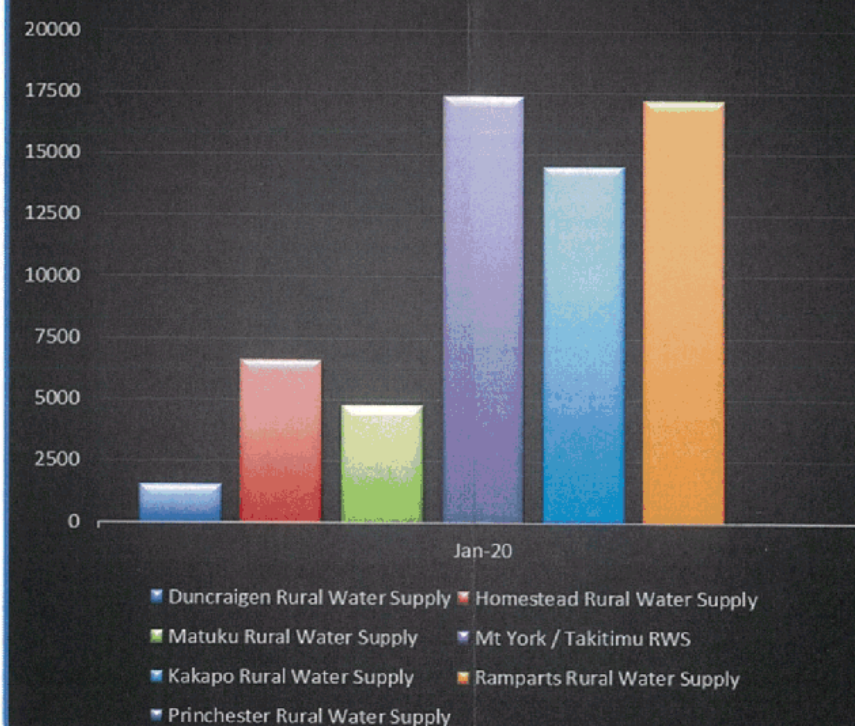
### MINOR CAPEX WORK

	TOTAL CLAIMED
	\$
TOTAL	\$
CLAIM SUMMARY	
	TOTAL CLAIMED
SDC O&M Lump Sum	\$ 241,290.22
SDC O&M Capital Works	\$ 31,893.32
TOTAL	\$ 273,183.54

### WATER TREATMENT PLANT INTAKE - URBAN WATER SUPPLY



### WATER TREATMENT PLANT INTAKE - RURAL WATER SUPPLY



### SERVICE REQUESTS RECEIVED



### LOST DAY INJURES / MEDICAL TIME INJURIES









Southland District Council  
Water and Wastewater Maintenance Contract



**DISTRIBUTION**

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03	Talita Aitken	IPS Data Analyst: Water and Waste Services	SDC
04	Bevan McKenzie	Project & Programme Manager: Water and Waste Services	SDC

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2. Health and Safety
3. Quality Assurance and Compliance
4. KPI Summary

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## 1. EXECUTIVE SUMMARY

### COMPLIANCE (DRINKING WATER)

- All drinking water compliance testing was completed and carried out as per NZDWS.
- All samples were absent of Escherichia Coli.

### COMPLIANCE (ENVIRONMENTAL WASTEWATER)

- There were two non-compliant tests during January.

### FINANCIAL

#### MISC MINOR WORKS JANUARY 2020

Riverton WTP – Chemicals	4,389.02	Chemicals & filters Riverton WTP January 2020
Riverton WTP – UV	792.33	Riverton WTP – UV
Riverton WTP – Mixing Chemicals	329.49	Mixing chemicals January 2020
Curio Bay Pump Checks	262.51	Curio Bay Pump Checks January 2020
Recommission UV into Te Anau	1,714.82	Recommission UV into Te Anau from Riverton
Curio Bay Call Out	354.22	Curio Bay Call Out 20/12/2019
109 Holmwood Road, Manapouri	6,190.96	Clear blocked pump sewer line
Curio Bay/Porpoise Bay Check	187.70	Curio Bay/Porpoise Bay Check January 2020
Braggs Bay Consent Sampling	409.52	Braggs Bay Consent Sampling January 2020
Water Meter 45 Lakefront Drive	713.28	Install new water meter WO 540865
Te Anau Manapouri Hwy FH repairs	773.16	Repairs after FH strike November 12, 2019
CCTV Browns	994.14	CCTV Browns
Te Anau Manapouri Hwy FH repairs	626.02	Repairs after FH strike November 2019
Level St, Dipton Stormwater	264.18	Repairs to level St, Dipton WO 203790
Te Anau Manapouri Hwy FH repairs	817.19	Repairs after FH strike November 20, 2019
48 Cathedral Drive, Manapouri	2,808.08	Repairs after On Target Drilling went through lateral
<b>TOTAL</b>	<b>\$21,573.92</b>	

### ASSET IMPROVEMENTS – PAID UNDER LUMP SUM

All claims and invoices for completed work were certified and accepted.

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**HEALTH & SAFETY**

- There was one incident reported in January 2020
  - ✚ Superficial Injury – [REDACTED] struck on jaw by angry ratepayer at Hamlet Street, Riverton
- Monthly tool box meeting was held at Downer Offices January 28, 2020.

**QUALITY ASSURANCE**

- There were no NCR/OFI's issued during January 2020.
- There was no instance of rework or product failure during the month.

**PLANNED POWER INTERRUPTIONS**

- January 29 -
  - Effluent pump, 22 Half Mile Road, Tuatapere
  - Pump off RN14 Erskine Street, Tuatapere
  - Ponds Erskine Street, Tuatapere
  - Effluent Plant, Bridge Street, Tuatapere
  - Pump, 74 Half Mile Road, Tuatapere

**STAFFING**

- ✚ Contract staff levels are currently sixteen permanent employees. This is made up of five management, administration and QA staff and eleven field staff.
- ✚ Training Completed in January:
  - ✚ Nil
- ✚ Training scheduled for February:
  - ✚ First Aid Refresher – [REDACTED]

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## SUMMARY



Failed oil seal at Wyndham Waste Water Station due to ragage behind the impellor



Blockage Taramea Bay, Riverton

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Tree roots removed from lateral junction to the main at Ohai



Mains burst repair Nightcaps

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Spraying at Curio Bay WWTP finished



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Hamlet Street, Riverton – illegal penetration into sewer network

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## 2. HEALTH & SAFETY

### HEALTH & SAFETY INDICATORS:

Description	Employees	Sub-Contractor
	Current Month	Current Month
Number of Fatalities	0	0
Number of Lost Time Injuries	0	0
Number of Days lost due to LTI's	0	0
Number of Medical Treatment Injuries	0	0
Number of First Aid Treatment Injuries	0	0
Number of Near misses	0	0
Number of Property/Plant Damages	0	0
Number of hours Worked	3,380.48	205.5
LTI Incidence Rate (1 million Hrs.)	0.0	0.0

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### 3. QUALITY ASSURANCE & COMPLIANCE

All potable water samples taken were found to be absent of any e-coli presence. All water and wastewater field sampling was carried out by an independent sampling subcontractor. All water and wastewater samples are tested at an IANZ accredited laboratory, Water Care Laboratory Services in Invercargill. Both site and field sampling results are reported through to Council as well as being logged on our WaterOutlook system.

Description	Number
Water scheme laboratory tested samples taken for month: E-coli, UVT and P2	231
Wastewater scheme sampling completed for month	6
Wastewater scheme site samples taken for month	20
Wastewater scheme laboratory tests completed for month	134
Non-conformance reports received	0
OFl reports received	0
Site audits conducted	3

#### NZDWS

All Escherichia Coli monitoring for bacteria compliance were fully compliant, with samples all being absent of Escherichia Coli.

Bacteria compliance requires field testing of FAC, pH and turbidity of the water leaving the water treatment plants. The field sampling for these parameters were fully compliant, apart from turbidity on the Eastern Bush Otahu Flat and Orawia Water Supply. The supplies which use UV disinfection for protozoa compliance were monitored for UV transmittance as per the NZDWS, to ensure the UV reactors were disinfecting the water acceptably and all of these tests were compliant.

#### RESOURCE MANAGEMENT ACT

Wastewater discharge consent sampling was carried out at Gorge Road, Manapouri, Stewart Island, Riverton Rocks (including shellfish), Te Anau and Tuatapere during January. Joint sampling was carried out in conjunction with Environment Southland at Riverton Rocks and Tuatapere during January. There were two non-compliant tests during January and these were the downstream DRP and DIN at Te Anau.

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#### 4. KEY PERFORMANCE INDICATORS – JANUARY 2020

	No.	Key Performance Indicator	Method Of Monitoring	Target	Compliance Y,N or N/A
Health & Safety	1.	Compliance with Contractor's approved Health & Safety Plan	Self-audit plus independent audit	100%	Y
	2.	Feedback on near misses	Monthly reports on incidents and lessons learnt	Any/All incidents reported each month	Y
	3.	Lost time Health & Safety incidents on this contract	Monthly reports on lost time incident hours/hours worked	0.00035% Lost time of total hours worked to date	Y
Wastewater	4.	Percentage compliance with wastewater Resource Consent determinands. <b>Downer to apply for dispensation for Stewart Island and Ohai.</b>	Monitoring programme as required by Resource Consent (Dispensation sought for Stewart Island)	100% 98.5%	N
	5.	Percentage samples taken in accordance with the Resource Consent requirements ( <b>Dispensation to be requested if required</b> ).	Monitoring programme as required by Resource Consent	100% 100%	Y
	6.	Number of system failures and pollution incidents (overflows) per year across all systems (not including private)	Data from HANSEN IPS	Less than 20 1	Y
	7.	Percentage of Requests for Service responded to within required timeframes – wastewater	Data from HANSEN IPS	100% 100%	Y

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Water	8.	Percentage of water lab tests that meet the requirements of the NZDWS 2005 (for plants upgraded to meet the NZDWS 2005 standard)	WINZ				100% 100%		Y		
	9.	Number of complaints regarding drinking water quality per year across all systems. <b>(Dispensation to be requested if required)</b>	Data from HANSEN IMS				Less than 65 0		Y		
	10.	Number of complaints regarding drinking quantity and supply of water, over and above 48 hour storage period.	Data from HANSEN IMS				Less than 130 0		Y		
	11.	Percentage of urban water system fire hydrant inspections that meet SNZ PAS 4509:2003	Data from HANSEN IMS				Not less than 95%		Not Started Yet		
	12.	Number of non-notified shutdowns across all urban water systems	Data from HANSEN IMS				Not more than 20 2 (TOTAL)		Y		
	13.	Percentage of Requests for Service responded to within required timeframes - water	Data from HANSEN IMS				Not less than 90% 100%		Y		
Performance Evaluation		A Total number of Y's									11
		B Total number of N's									1
		A + B									12
		OPR = 100 X (A/(A+B)) %									
JUL 19	AUG 19	SEP 19	OCT 19	NOV 19	DEC 19	JAN 20	FEB 20	MAR 20	APR 20	MAY 20	JUN 20
100%	100%	83%	100%	100%	92%	92%					

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**PERFORMANCE SCORING TABLE**

OPR Score (%)	RATING	DESCRIPTION
91-100	Excellent	Awarded when requirements are consistently met in an outstanding manner
76-90	Above Average	Requirements fully covered in all material aspects, and being proactive
60-75	Average (proactive)	Outputs adequate and performance is adequate
50-59	Average (reactive)	Outputs adequate but in a reactive mode
40-49	Below Average	Barely adequate: Some deterioration in services
40 or less	Poor	Unacceptable: Serious deterioration of services



## Stewart Island Electrical Supply Authority - Retrospective unbudgeted expense approval for alternator replacement on Unit 5.

Record No: R/20/4/9483  
Author: Brendan Gray, Projects Manager  
Approved by: Matt Russell, Group Manager Services and Assets

☒ Decision ☐ Recommendation ☐ Information

### Purpose

- 1 A failure of the alternator component of Stewart Island Electrical Supply Authority (SIESA) unit 5 occurred in February 2020. After analysis of options a decision needed to be made on the repair or replacement of the alternator unit and a subsequent assessment was commissioned. This report advises of the outcome of the assessment and the subsequent decision that was made for the alternator replacement.

### Executive Summary

- 2 In February 2020 the alternator component of unit number 5 (the Scania outdoor containerised unit) suffered a catastrophic failure. After assessment by a qualified electrical winding specialist it has been determined that the failure was caused by direct shorting and most likely due to moisture.
- 3 The alternator unit is unrepairable therefore pricing for a new alternator commenced and was undertaken by Powernet on Southland District Council behalf. Pricing for supply of an alternator was received by two companies. Prices ranged from \$23,850 to \$27,700 (excluding freight to Stewart Island).
- 4 After an outstanding warranty issue was resolved (with South Pacific Diesel Systems Ltd) their price was revised to \$23,700 + GST (incl freight to Bluff).

## Recommendation

### That the Services and Assets Committee:

- a) **Receives the report titled “Stewart Island Electrical Supply Authority - Retrospective unbudgeted expense approval for alternator replacement on Unit 5.” dated 1 May 2020.**
- b) **Determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.**
- c) **Determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.**
- d) **Approves the retrospective unbudgeted expenditure of up to \$28,000 for the alternator replacement on Unit No. 5 and that this be funded from Stewart Island Electrical Supply Authority reserves.**

## Background

- 5 Unit number 5 was commissioned in 2016/2017 and is a containerised Scania engine and alternator that sits outside in a covered lean to shed. This is a primarily a backup unit for use when the other generator units are being serviced or when peak load demands use of the unit. It was always intended for this unit to be housed outside and under cover. The alternator unit had a basic form of wiring heating/protection and at the time this was considered to be sufficient.

## Issues

- 6 The failure of unit number 5 alternator has occurred due to moisture build up within the electrical windings which caused a direct short and the failure of the unit. This is partially due to the environment on Stewart Island and the infrequent use of the generator/alternator. The basic alternator heating was insufficient to protect the wiring from moisture and the failure has occurred.

## Factors to Consider

### Legal and Statutory Requirements

- 7 There are no legal and statutory requirements.

### Community Views

- 8 This issue has been discussed and communicated with the Stewart Island/Rakiura Community Board and the outcome has been advised to the Board chair. .

### Costs and Funding

- 9 Prices were sought from suitable suppliers of alternators units. SIESA reserves are being used to fund the replacement alternator. The retrospective approval of up to \$28,000 of unbudgeted

expenditure gives some leeway over and above the alternator purchase price for freight to Stewart Island and any miscellaneous fittings that may be required to undertake the changeover of units.

## Policy Implications

- 10 There are no policy implications.

## Analysis

### Options Considered

- 11 There was only one option that was available after the analysis of the original alternator was completed. To do nothing was not an option.
- 12 The new Mecce Alte unit ordered has the maximum factory fitted moisture protection available (Total +) and will ensure a failure of this kind does not occur again.
- 13 Specification of winding protection table below.

	Winding Insulation Coating & other Notes				
	STANDARD	STANDARD+	GREY	GREY+	TOTAL+
For use in / to protect against	Dew (anti-condensation) heaters recommended where relative himidity is >75%				
	Temperature controlled environments / modest levels of humidity	Temperature controlled environments / modest levels of humidity	Marine standard protection for humidity ≤95%		High humidity (>95%)
	safe/clean environments with zero aggressive elements	Safe/clean environments with zero aggressive elements	In continuous operation, the rotor is okay without added coat, but the stator has EG43 added for light moisture	In continuous operation, the rotor and stator have EG43 added. More suitable where the enclosure / building / site have little protection for the air ingress	Salty atmosphere (coastal or exposed marine) arising corrosion and hygroscopic attraction compromising the insulation
				Light aggressive content i.e. saline	Other corrosive elements i.e. chemical, methane etc
		Resistance air borne contaminants potentially causing tracking on live components			
		Possibility of small airborne particles in light volumes	Possibility of small airborne particles in light volumes	Possibility of small airborne particles in light volumes	Airborne solid particles i.e. dust, sand, crushed rock
Typical Applications (Non-exhaustive)	Industrial light duty	Industrial light duty	Marine	Marine	Rental
	Standby / clean / dry environment	Standby / moderate clean environment	Static canopied genset	Static canopied genset	Vehicle Mounted
	Standby / clean / dry environment	Continuous / moderate clean environment	Continuous / Standby	Continuous / Standby	Continuous / Standby
					Rail
					RTCC (Rubber Type Gantry Crane)
					Coastal location or marine exposed
					Chemical/corrosive

## Analysis of Options

### Option 1 – Replace the alternator with a new unit and include Total 1 moisture protection component.

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"><li>Continued backup for electrical supply on Stewart Island</li><li>Alternator component is new and includes maximum factory fitted moisture protection</li><li>No level of service interruptions for consumers</li></ul>	<ul style="list-style-type: none"><li>Unbudgeted expenditure approval has to be retrospective</li><li>Unplanned</li></ul>

## Assessment of Significance

- 14 The decision to replace the alternator and request for retrospective approval for unbudgeted expenditure was significant and needed to be made in order to ensure the delivery of the new component was secured and there would be no level of service issues for Stewart Island electricity consumers.

## Recommended Option

- 15 The only option available was to replace the unit and seek retrospective unbudgeted expense approval from the Services and Assets Committee under the revised COVID-19 delegated authority protocols.

## Next Steps

- 16 Fit the new alternator.

## Attachments

- A Alternator pricing by Powernet [↓](#)  
B Revised pricing from South Pacific Diesel Systems Ltd and Mecce Alte warranty [↓](#)

27 March 2020

Ashby Brown

- a) Southland District Council
- b) 15 Forth Street
- c) Invercargill 9840

Dear Ashby

### **SIESA Unit 5 Alternator**

Unit 5 alternator suffered catastrophic failure on XX February 2020. The component has been inspected by motor winding specialists, Wallace Murray Electrical, who advise that root cause was direct shorting in the winding due to insulation failure likely caused by moisture build-up.

PowerNet has sought pricing from two suppliers who have submitted a total of three prices for suitable alternator replacement. Pricing detail is summarised below. Note this excludes any mark-up from PowerNet.

<b>Supplier</b>	<b>Alternator Make</b>	<b>Price (excl gst)</b>
Generator Rental Services	Stamford	\$ 27,700
	Mecc Alte	\$ 23,850
South Pacific Diesel	Mecc Alte	\$ 26,850

The pricing for the Mecc Alte units above includes pricing for the application of a proprietary winding protection scheme known as "Total+". The pricing for the Stamford unit includes standard 'marinisation'. Delivery cost to Bluff is not included in the above pricing but expected to be approximately \$500 excl gst.

While Generator Rental Services have submitted the most competitive price for a Mecc Alte unit, PowerNet recommend the replacement is purchased from South Pacific Diesel. South Pacific Diesel supplied Unit 4 and Unit 5 generator replacements in recent years. Additionally, awarding the alternator supply to them may provide SDC the opportunity to recoup costs from a repair completed on Unit 5 whilst still under warranty up to a value of \$4,950.

Please don't hesitate to contact me for any further detail.

Yours faithfully



**Nicholas Hill**  
**Technical Manager**

E: [nhill@powernet.co.nz](mailto:nhill@powernet.co.nz)  
P: 2118525

Encl:  
CC:

**From:** Chris Curry <Chris.Curry@dieselenginz.com>  
**Sent:** Thursday, 23 April 2020 12:14 p.m.  
**To:** Brendan Gray  
**Cc:** Ashby Brown; Ross Williamson  
**Subject:** RE: Stewart Island Generator  
**Attachments:** Mecc Alte Warranty 2019.pdf

Hi Brendan,

Yes - an official purchase order will be enough for us to proceed with importing the alternator, full payment will be expected upon delivery to Bluff.

I am surprised that we are not in your creditors system, as we already supply parts and service to your existing generators on Stewart Island.

I presume Chris and his team have the fitment and commissioning of the unit in hand and delivery from Bluff to Stewart Island would also be better handled by you or Chris.

Please find attached a copy of the Mecc Alte warranty.

Cheers and kind regards

**Chris Curry**

Engine Sales Manager | South Pacific Diesel Systems Limited  
Phone: +64 [0] 4 237 4439 ext. 711 : Mobile: +64 [0] 22 350 7944  
Address, 6 Kapuni Grove, Porirua City : P.O. Box 51-147, Tawa, Wellington 5249 : New Zealand  
[chris.curry@dieselenginz.com](mailto:chris.curry@dieselenginz.com)  
[www.dieselenginz.com](http://www.dieselenginz.com)



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**From:** Brendan Gray <brendan.gray@southlanddc.govt.nz>  
**Sent:** Thursday, 23 April 2020 10:20 AM  
**To:** Chris Curry <Chris.Curry@dieselenginz.com>  
**Cc:** Ashby Brown <Ashby.Brown@southlanddc.govt.nz>  
**Subject:** FW: Stewart Island Generator

Morning Chris

I am organising the purchase order the new alternator, organising delivery from Bluff to Stewart Island and the coordination with Powernet/ SIESA in respect of the fitment of the new alternator.

To ensure we secure the Mecc Alte unit that is available, is it as simple as giving you a purchase order number for the supply of the unit?

We don't appear to have South Pacific Diesel Systems Ltd as a creditor in our system.

I think last time I priced a new Scania engine through you guys I ended up with dealing with Gough Bros.

Can you confirm the process please.

I also just want to query the warranty on the Mecc Alte unit in regards to transport, delivery to Bluff and onto Stewart Island, fitment and length of service (hours, months etc)

Can you advise please?

Regards

Brendan



**Brendan Gray**  
**Project Manager**  
**Southland District Council**  
**PO Box 903**  
**Invercargill 9840**  
P: 0800 732 732 | F: 0800 732 329  
[www.southlanddc.govt.nz](http://www.southlanddc.govt.nz)

----- Original message -----

From: Chris Curry <[Chris.Curry@dieselenginz.com](mailto:Chris.Curry@dieselenginz.com)>  
Date: 22/04/20 11:16 (GMT+12:00)  
To: Chris Dillon <[CDillon@powernet.co.nz](mailto:CDillon@powernet.co.nz)>  
Cc: Ross Williamson <[Ross.Williamson@dieselenginz.com](mailto:Ross.Williamson@dieselenginz.com)>  
Subject: RE: Stewart Island Generator

Hi Chris,

Thank you for your recent telephone call, and we hope you are keeping safe and well within your "bubble".

We have contacted our supplier, and they have confirmed that the Mecc Alte ECO40 3S4B alternator is still available, subject to prior sale. We have also revisited the pricing previously offered as follows:

**Mecc Alte ECO40 3S4B**

500KVA 3PH 4P/1500RPM 50Hz, AVR controlled with Aux winding, brushless, single bearing MD35

- Anti-condensation Heater factory-fitted
- Thermistors factory-fitted
- Connected Parallel Star
- Total plus Alternator wiring protection
- Delivered to Bluff

**NZ\$23,700.00 plus GST**



This special pricing is offered on the basis that it takes into account the historic warranty claim that was previously discussed between yourself and Ross Williamson.

I hope this offer is satisfactory, and look forward to hearing from you in due course.

Cheers and kind regards

**Chris Curry**

**Engine Sales Manager | South Pacific Diesel Systems Limited**

Phone: +64 [0] 4 237 4439 ext. 711 : Mobile: +64 [0] 22 350 7944

Address, 6 Kapuni Grove, Porirua City : P.O. Box 51-147, Tawa, Wellington 5249 : New Zealand

[chris.curry@dieselenginznz.com](mailto:chris.curry@dieselenginznz.com)

[www.dieselenginznz.com](http://www.dieselenginznz.com)



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## Unbudgeted Expenditure - Car Park, Wallacetown Cemetery

Record No: R/20/3/6191

Author: Mark Day, Community Facilities Manager

Approved by: Matt Russell, Group Manager Services and Assets

☐ Decision

☒ Recommendation

☐ Information

### Purpose

- 1 The purpose of this report is to approve unbudgeted expenditure in the amount of up to \$20,000 (excl GST) in order to install a gravelled car park at the Wallacetown Cemetery and associated landscaping in the form of a low hedge and lawn.

### Executive Summary

- 2 The former Wallacetown Community Board had identified the need to provide additional car parking space to cater for off street parking for visitors to the cemetery.
- 3 At the final meeting of the Wallacetown Community Board on 22 August 2019 they resolved in principle the use of reserve funds to undertake a number of pieces of work within the town.
- 4 At the Oreti Community Board meeting held on 24 February 2020 the report **“Recommendations from the former Wallacetown Community Board final meeting”** was reported to provide the history of works that they wanted to be completed.
- 5 The current amount of space available along the road frontage is not sufficient to cater for parking requirements during burials.
- 6 The old hedge was removed to enable the car park to be developed at the north end of the cemetery.
- 7 It is proposed that this unbudgeted expenditure request, if approved, be made from the Wallacetown General Reserve. The current balance as at 30 June 2019 is \$194,523.
- 8 This report was to be approved by the Oreti Community Board at their meeting on the 6 April 2020 and then to Council on 22 April 2020, however due to the lock down this did not happen. To keep this project on track it is now being presented to the Services and Assets committee.
- 9 The Oreti Community Board chairperson has been approached and asked to canvas the community board members to make sure they approve of the process to have the unbudgeted expenditure report approved.
- 10 The chairperson responded in an email dated 29/04/2020 that the Oreti Community Board approved the report going to the Services and Assets committee for approval.

## Recommendation

### That the Services and Assets Committee:

- a) **Receives the report titled “Unbudgeted Expenditure - Car Park, Wallacetown Cemetery” dated 1 May 2020.**
- b) **Determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.**
- c) **Determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the Act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.**
- d) **Approves the unbudgeted expenditure of up to \$20,000 from the Wallacetown General Reserve to install a car park and associated landscaping.**

## Background

- 11 The old hedge at the northern end of the cemetery was removed to make way for a car park.
- 12 The current off street car parking is not sufficient to cater for the number of vehicles that attend burials at the cemetery.
- 13 At these times the vehicles create a hazard to other road users as they spill out onto the road.
- 14 The remaining debris from the hedge will be removed prior to the area being levelled and gravelled to form the car park.
- 15 An entrance point will be formed to provide access off the road, Ailsa Street.
- 16 A low row of shrubs will be planted to visually enhance the site and provide a barrier between the car park and the cemetery.

## Issues

- 17 Unbudgeted expenditure which this report is seeking to resolve.

## Factors to Consider

### Costs and Funding

- 18 The Wallacetown General Reserve currently has a budget of \$194,523. It is anticipated that the physical works will cost approximately \$15,000 - \$17,000 to complete. A healthy contingency sum is considered appropriate as the site is a Hazardous Activities and Industries List (HAIL) site and will require appropriate excavation management and disposal as a result.

## Analysis

### Options Considered

- 19 Either to approve or not approve the unbudgeted expenditure.

## Analysis of Options

### Option 1 – Approves the unbudgeted expenditure of up to \$20,000 from the Wallacetown General Reserve to install a car park and associated landscaping

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"><li>The new car park will provide sufficient parking to cater for off street parking during burials at the cemetery.</li></ul>	None identified.

### Option 2 – Do not approve the unbudgeted expenditure

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"><li>None identified.</li></ul>	<ul style="list-style-type: none"><li>There will be on going issues with parking congestion at the site.</li></ul>

## Assessment of Significance

- 20 This request and required works are to ensure that the parking at the Wallacetown Cemetery will meet the needs of the public during burials at the cemetery.

## Recommended Option

- 21 Option 1 – Approves the unbudgeted expenditure of up to \$20,000 from the Wallacetown General Reserve to install a car park and associated landscaping.

## Next Steps

- 22 Arrange for the car park work to be constructed.

## Attachments

There are no attachments for this report.



## Unbudgeted Expenditure – Limehills Community Centre Kitchen and Supper Room Refurbishment

**Record No:** R/19/12/31214

**Author:** Mark Day, Community Facilities Manager

**Approved by:** Matt Russell, Group Manager Services and Assets

☒ Decision

☐ Recommendation

☐ Information

### Purpose

- 1 The purpose of this report is to request unbudgeted expenditure of \$24,000 to refurbish the Limehills Community Centre kitchen and supper room.

### Executive Summary

- 2 There is a project in this year's annual plan to upgrade the kitchen at the Limehills hall with a budget of \$10,220.
- 3 During an inspection of the hall with the hall committee chairperson, members of the Oreti Community Board and Councillors, they agreed with the staff assessment of the scope of work for the project.
- 4 This will include new kitchen joinery, rearrange the kitchen layout, replacement of the current electric oven, painting, new floor coverings and the installation of LED lights.
- 5 This report was to be approved by the Oreti Community Board at their meeting on the 6 April 2020 and then to Council on 22 April 2020, however due to the lock down this did not happen. To keep this project on track it is now being presented to the Services and Assets committee.
- 6 The Oreti Community Board chairperson has been approached and asked to canvas the community board members to make sure they approve of the process to have the unbudgeted expenditure report approved.
- 7 The chairperson responded in an email dated 29/04/2020 that the Oreti Community Board approved the report going to the Services and Assets committee for approval.

## Recommendation

### That the Services and Assets Committee:

- a) **Receives the report titled “Unbudgeted Expenditure – Limehills Community Centre Kitchen and Supper Room Refurbishment” dated 30 April 2020.**
- b) **Determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.**
- c) **Determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.**
- d) **Approves and recommends to Council the unbudgeted expenditure of \$7,378.22 to refurbish the kitchen and supper room at the Limehills Community Centre to be funded from the Limehills General Reserve and \$6,380 from the Limehills Community Centre general maintenance budget on the condition that Council approves the unbudgeted expenditure of \$10,241.78 from the Winton Wallacetown Ward Reserve.**

## Background

- 8 There is a project in this year’s annual plan to upgrade the kitchen at the Limehills hall with a budget of \$10,220.
- 9 During an inspection of the hall with the hall committee chairperson, members of the Oreti Community Board and Councillors, agreement was reached in relation to the scope of work for the project.
- 10 This will include new kitchen joinery, kitchen layout and replacement of the current electric oven.
- 11 With the changes to the kitchen joinery, the floor and wall coverings will also need to be replaced.
- 12 Council staff also recommended that the adjoining supper room should be upgraded at the same time. This will entail replacing the carpet, repainting and installing LED lights.
- 13 The proposed scope of work exceeds the approved budget so additional funding is required to complete the whole project.
- 14 The Limehills General Reserve has a current balance of \$7,378.22 and this will be used along with \$10,241.78 from the Winton Wallacetown Ward Reserve and \$6,380 to be funded from the Limehills Community Centre general maintenance budget..

## Issues

- 15 The current kitchen and electric oven is out-dated and there are issues with the amount of available bench space and functionality of the existing kitchen layout.



- 16 The current sink is a single domestic size sink that is too small to wash large catering pots.

### **Factors to Consider**

#### **Legal and Statutory Requirements**

- 17 There are no legal and statutory requirements.

#### **Community Views**

- 18 The views of the Councillors and Community Board are taken as being indicative of the community.

#### **Costs and Funding**

- 19 There is a project in this year's annual plan to upgrade the kitchen at the Limehills hall with a budget of \$10,220.
- 20 This is not enough to cover the scope of the work that has been agreed to and an additional \$24,000 is required.
- 21 This will be funded from:
- general maintenance of \$6,380 to be funded from the Limehills Community Centre budget.
  - unbudgeted expenditure of \$7,378.22 to be funded from the Limehills General Reserve
  - unbudgeted expenditure of \$10,241.78 to be funded from the Winton Wallacetown Ward General Reserve.
- 22 The Limehills General Reserve currently has a balance of \$7,378.22.
- 23 The Winton Wallacetown Ward Reserve currently has a balance of \$425,086.01.

#### **Policy Implications**

- 24 There are no policy implications.

### **Analysis**

#### **Options Considered**

- 25 The options considered are to fund the unbudgeted expenditure in line with the scope, or not.

## Analysis of Options

**Option 1 – Approve and recommends to Council the unbudgeted expenditure of \$7,378.22 to refurbish the kitchen and supper room at the Limehills Community Centre to be funded from the Limehills General Reserve and \$6,380 from the Limehills Community Centre general maintenance budget on the condition that Council approves the unbudgeted expenditure of \$10,241.78 from the Winton Wallacetown Ward Reserve**

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> <li>Overdue refurbishment and maintenance undertaken and the kitchen / supper room will receive the remedial work required to extend its life</li> <li>In line with staff and local elected member request</li> </ul>	<ul style="list-style-type: none"> <li>none identified</li> </ul>

## Option 2 – Not approve the unbudgeted expenditure

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> <li>none identified.</li> </ul>	<ul style="list-style-type: none"> <li>the kitchen and supper room will continue to deteriorate</li> <li>if left it will cost more in the future.</li> </ul>

## Assessment of Significance

- 26 The request does not trigger any of the significance criteria.

## Recommended Option

- 27 Option 1 - Approve and recommends to Council the unbudgeted expenditure of \$7,378.22 to refurbish the kitchen and supper room at the Limehills Community Centre to be funded from the Limehills General Reserve and \$6,380 from the Limehills Community Centre general maintenance budget. This is on condition that Council approves the unbudgeted expenditure of \$10,241.78 from the Winton Wallacetown Ward Reserve.

## Next Steps

- 28 Engage the contractor and undertake the agreed scope of work.

## Attachments

There are no attachments for this report.

## 19/13 - Fortrose Otara Road Seal Widening Tender - NPV and Project Options

Record No: R/20/3/5397

Author: Rob Hayes, Roading Engineer

Approved by: Matt Russell, Group Manager Services and Assets

☒ Decision

☐ Recommendation

☐ Information

### Purpose

- 1 This report provides the additional information requested by Council and seeks to obtain approval from Council on the next steps for the proposed Fortrose Otara seal widening project following the outcome from the tender evaluation process.

### Executive Summary

- 2 Following the outcome of the tender process and prices received the strategic transport team have under taken further assessment of options and can confirm that a full seal widen project has calculated a negative Net Present Value (NPV) of -\$628,000.00.
- 3 Projects need to generate a positive NPV or Benefit Cost and meet a medium or high strategic alignment in order to be supported by NZTA through the current funding model.
- 4 The strategic transport team has considered three options.
  - option one: proceed with minimal maintenance
  - option two: proceed with a reduced project scope
  - option three: proceed with unbudgeted expenditure to cover the funding gap.

## Recommendation

### That the Services and Assets Committee:

- a) **Receives the report titled “19/13 - Fortrose Otara Road Seal Widening Tender - NPV and Project Options” dated 30 April 2020.**
- b) **Determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.**
- c) **Determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.**
- d) **Approve option two and proceed with a reduced widening scope, and target 6.2m with any remaining funds focused on safety priorities including accessways, intersections and additional corner widening.**

## Background

- 5 The Long Term Plan identified \$300K per year for seal widening. The 11km section of Fortrose Otara Road has narrow seal widths, less than six metres and was proposed to be widened to the ideal width of seven metres for this level of road hierarchy (secondary collector).
- 6 A total budget of \$900K was allocated of which approximately \$850K remains after the design and tender process to date.
- 7 The tender was put out to open market with all three tenders submitted ranging between \$1.6 million and \$1.8 million in price. Given the significant gap between the tender pricing and the approved budget, it is necessary to pause and reflect on how best to move forward. The Transport have previously presented to Council the following options:
  - option one: proceed with a reduced scope
  - option two: proceed with unbudgeted expenditure
  - option three: cancel the tender process and reprioritise the funding elsewhere.
- 8 The strategic transport team previously recommended option three.
- 9 Since the inception of this project and the subsequent approval by Council we have had increasing concerns with the networks bridging stock. This contributed to the previous recommendation to put the project on hold and reprioritise the funding to the bridge replacement programme.
- 10 Council tasked strategic transport staff to carry out further assessment of options including further analysis of cost and benefits along with further funding review with NZTA prior to making a decision on this matter.

- 11 This report represents the transport staff reporting back on the process that would be needed to be followed for seeking funds from NZTA, costs and risks associated with the project and the relative priority that projects would carry against other road projects across the District.

## Issues and Discussion

- 12 Strategic transport staff have carried out the Net Present Value (NPV) calculations that NZTA require for justification of improvements including pavement rehabilitations. The NPV calculations analysed three options and forecasts costs over the remaining pavement life that we have estimated to be upto 30 years. The costs include upgrades, annual maintenance, periodic maintenance and includes two reseals at year 1 and year 15 for each option.
- 13 The table below lays out the options with each NPV calculations:

Options	Scope of work included in calculations	Net present value	Additional cost
Option one: Proceed with a maintenance scope. Edge break repair to reinstate road width to 5.8m at a cost of approximately \$350K. Widening works would become part of a future pavement renewal and reprioritise the remaining funds.	Two full length edge break repairs at 5.8m, annual maintenance and two reseals firstly at year 1 and secondly at year 15.	\$1,750,733.00	\$192,105.00
Option two: Proceed with a reduced scope widening and target 6.2m. Any remaining funds focused on safety priorities including accessways, intersections and corners upto the full remaining budget of \$850K.	One full length edge break repair to 6.2m, annual maintenance and two reseals first at year 1 and secondly at year 15.	\$1,558,628.00	-
Option three: Proceed with the full widening scope as designed with \$700K of unbudgeted expenditure. This option would be without NZTA funding for cost above \$1M (\$600K).	One full length seal widening to 7m. Annual maintenance and two reseals first at year 1 and secondly at year 15.	\$2,186,998.00	\$628,370.00

- 14 The full seal widening project produced a negative NVP of a -\$628,000.00 against the reduced scope option, therefore additional funding would not be supported by NZTA through our current business case and funding model.
- 15 NZTA have also reiterated that to consider a project for funding a positive cost benefit needs to be achieved along with the project achieving a high or medium strategic alignment with Investment Assessment Framework for 2018-21 National Land Transport Programme.
- 16 The entire 11km section is overdue for reseal. Strategic Transport do not recommend pushing this any further and resealing should be carried out next construction season.

- 17 The latest high speed data has detected increased cracking in the surface which supports the need for this section of road to be resealed sooner rather than later.

### **Factors to Consider**

#### **Legal and Statutory Requirements**

- 18 The tender evaluation process has expired with all tenders significantly above the available budgets and further direction is required from Council. No unusual legal considerations are involved with these projects. To date the tender evaluation team have diligently followed the Council and New Zealand Transport Agency (NZTA) procurement procedures.

#### **Community Views**

- 19 Preliminary notification and conversations have been had with residents that live or farm within this section of road proposed for seal widening. Initial feedback was positive, no strong opinions for or against were expressed.
- 20 Feedback has been sought and received from the roading contract managers and the roading alliance contractors in identifying candidate sites.

#### **Costs and Funding**

- 21 Currently, the project is budgeted to be funded from NZTA's low cost low risk category which is capped at \$1 million per project.
- 22 To complete the full package of work an additional \$0.7 million of unbudgeted funding will likely be required. In order to access the NZTA funding assistance rate for this work (51%), it would be necessary to complete a full business case for approval from NZTA.
- 23 As discussed previously, two criteria need to be met in order for the project to be considered for NZTA funding assistance.
- 24 It should be noted that even if both criteria could have be met, this would not necessarily guarantee funding as projects are still priorities based on available funding.
- 25 Alternatively, Council could opt to fund all of the additional \$0.7 million of unbudgeted expenditure and forgo this process.

#### **Policy Implications**

- 26 This project has been tendered and evaluated under the lowest price conforming tender methodology. This process has not been completed due to the value of the tenders received and as a result no tender has been awarded.
- 27 Whilst ending a procurement processes without completing an engagement is generally to be avoided, there are no policy implications preventing us from doing so. All tender documentation issued by Council reserves this right.

## Analysis

### Options Considered

28 We have the three following options and recommendation for Council's consideration:

### Analysis of Options

#### Option 1 – Proceed with maintenance scope

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> <li>work proceeds within current budget and reinstate to a 5.8 m seal</li> <li>prevents the reseal being held off any longer</li> <li>allows some funds to be reprioritised.</li> </ul>	<ul style="list-style-type: none"> <li>not achieve the full desired width and the pavement will still be susceptible to ongoing edge break issues at 5.8m</li> <li>the work is not considered to be a current priority.</li> <li>no safety improvement.</li> </ul>

#### Option 2 – Carry out reduced scope and seal widening to 6.2m. Any remaining funds focused on safety improvements

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> <li>work proceeds within current budget and achieve a 6.2m seal</li> <li>reduces some future maintenance work such as edgebreak repair</li> <li>work will achieve a consistent pavement width</li> <li>work could be carried out in colder, early season conditions by using the asphalt clip on methodology. This allows the full site to be resealed by March 2021</li> <li>option for edge lines to be painted to guide traffic</li> <li>prevents the reseal being held off beyond next sealing season.</li> </ul>	<ul style="list-style-type: none"> <li>seal width remains at 6.2m until the future rehabilitation compared to 7m ideal width for this level of road.</li> <li>not all safety improvements will be achieved.</li> </ul>

**Option 3 – Proceed with the full scope as designed**

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"><li>• achieves full ideal seal width for this classification of road</li><li>• safety is improved throughout the site</li><li>• reduce future maintenance cost associate with edgebreak.</li></ul>	<ul style="list-style-type: none"><li>• Council will have to fully fund the additional \$600K required for the project above \$1M.</li><li>• resealing would be delayed another year.</li></ul>

**Assessment of Significance**

- 29 Based on the Council's Significance and Engagement Policy and given that any decision made is in line with the Long Term Plan, it is believed that the decision made based on this recommendation is not significant.

**Recommended Option**

- 30 Transport recommends option two.

**Next Steps**

- 31 Formally notify the tenderers that the full project will not be proceeding.
- 32 Re-tender with the reduced scope of works in line with option 2.

**Attachments**

There are no attachments for this report.



## Roading Operations - March 2020

**Record No:** R/20/4/9378

**Author:** Rob Hayes, Roothing Engineer

**Approved by:** Matt Russell, Group Manager Services and Assets

☐ Decision

☐ Recommendation

☒ Information

### Purpose

- 1 The purpose of this report is to update the committee on the progress of the major roading maintenance contracts and provide some context to the 2019/20 budget.
- 2 SouthRoads currently have the Waimea and Central Alliance maintenance contracts with Fulton Hogan having the Foveaux Alliance Contract.

### Executive summary

- 3 While Council staff and our contractors nearly got back to business as usual after the flood event the New Zealand Government introduced the Covid - 19 control guidelines and the four level alert system. New Zealand quickly passed through the alert levels and into level 4 lockdown at midnight 25 March for an estimated four weeks.
- 4 This has severely limited the services Strategic Transport team and our contractors can provide. With as many staff as possible working for home and only essential activities been undertaken by contractors. We believe that Council contractors have been compliant with the intent of the guidelines and running a “Skelton crew” on the activities we have deemed as essential.
- 5 These include cyclic work that consists of up to two staff members who need to travel in separate vehicles, reactive grading and on call emergency staff only. Council and contractor managers have had a presence on the network with the feedback to date that the roading network is holding up well.
- 6 Flood repairs continued through March with a cost to date of just over \$1M to the end of the month.
- 7 Maintenance spending across the three contracts was down in March to \$887K (excluding Emergency Works). This was expected but is down approximately 25% on March last year. This is due to flood recovery activities then into the Covid – 19 lockdown for the last week of the month.
- 8 Customer satisfaction; 121 Requests for Service (RFS), across the three Alliance contracts were received in March 2020 compared to 122 in 2019, an increase of 1, less than 1%. This is very similar compared to the same time last year which is surprising considering February’s flooding event.
- 9 In relation to health and safety; 8 contractor safety audits were completed in March with one lost time injury and 2 near misses reported.

10 Activity performance:

- metalling, 37,010m<sup>3</sup> (68%) has been placed of a total 2019/20 budget of 54,264m<sup>3</sup>.
- grading, 9,582km (72%) have been graded by the end of March of a total 2019/20 budget of 13,400 km for the year.
- the general maintenance focus has been getting reseal sites ready, drainage and spraying works completed before winter.
- our focus post lockdown will need to be developed over the coming weeks. At this stage we are not sure what the remaining few months of the financial year will look like. We are hoping that we don't get any weather events or wide spread snow over the next month.

**Pavement rehabilitation/resurfacing**

- 11 The Roding Company have completed works on Edendale Wyndham Road and Brydone Glencoe Road. They are 95% complete at Niagara Tokanui Road with only pavement marking to complete. SouthRoads are also 95% complete at Otapiri Gorge Road with the entire site sealed and also with pavement marking to be completed.
- 12 The 2019/20 resurfacing had a slow start due to the unsettled weather but made considerable ground over February and early March. At the time of the lockdown Downer had completed 95% of the season's reseals, and where on track to have the programme completed by the end of March.
- 13 As the sealing season is now completed the remaining sites will moved into the 2020/21 programme.

**Bridges**

- 14 The two bridge design/build packages are underway with SouthRoads the successful tenderer for the Northern package and Downer the successful tenderer for the Southern. Design and manufacture of components is underway with all site work currently on hold.
- 15 The Lake Monowai Road Bridge over Pioneer Energy's hydro canal has been tendered and the evaluation completed. We have chosen to delay the award untill the alert levels are sufficiently reduced to allow work to commence. This is also to protect Council from any potential variation claims.
- 16 Mararoa Road Bridge is 95% complete and open to resident's traffic. It is still signed up as close to the public for the time being. See a selection of photos below.





**Flood event**

- 17 Strategic transport staff and our Alliance contractors have had a challenging February and March dealing with flooding with 64 roads closed or under restriction at its peak. Although there has been a huge effort to date there is still a number of roads that still need our attention. Below is a selection of photos from bank and abutment repairs at Piano Flat Road Bridge number six over the Gow Burn.





## Recommendation

**That the Services and Assets Committee:**

- a) **Receives the report titled “Roading Operations - March 2020” dated 30 April 2020.**

## Attachments

- A Waimea A3 Report - March 2020 [↓](#)
- B Central A3 Report - March 2020 [↓](#)
- C Foveaux A3 - March 2020 [↓](#)





# Waimea Alliance - Summary Report March 2020



CUSTOMER AND COMMUNITY GOVERNANCE		
Requests for Services	Mar-20	YTD
General Requests for Road Service (RFS's)	25	273
Road Service Requests completed on time	19	261
Road Service Requests completed on time %	76%	96%

HEALTH AND SAFETY		
	Mar-20	YTD
Lost Time Incident (pass/fail >1)	-	-
Medical Treatment Intervention (pass/fail >1)	-	-
Near Hits Reported (pass/fail <5)	-	53
Site Safety & Traffic Management Audits completed (pass/fail <5)	1	41
Site Safety & Traffic Management non-compliances (pass/fail >1)	-	4

PERFORMANCE SCORECARD		
KEY RESULT AREA	WEIGHTING	SCORE
Financial - YTD	10%	7.5%
Customer and Community Governance	10%	8%
Health & Safety	20%	5%
Alliance Effectiveness & Efficiency	40%	36%
Pre-Reseal Repairs (75% 1st Oct, 90% 15th Nov, 100% 1st Dec).	10%	10%
Metalling Achievement	10%	10%
Grading Achievement	10%	6%
Rework (pass/fail 1)	10%	10%
Network Condition ** To be confirmed	20%	20%
<b>Overall Score</b>	<b>100%</b>	<b>76%</b>

IDENTIFIED RISK & STRATEGY UPDATE	
<b>Risk 1 - Riversdale Waikaia Road</b>	
Tree roots effecting the pavement integrity. Council to determine appropriate action.	
<b>Risk 2 - Waiau Street (Manapouri)</b>	
Slip has occurred, Council has provided proposed treatment once back on the network this will be completed.	
<b>Risk 3 - Otautau Tuatapere</b>	
Slip has occurred, waiting on a proposed design from Opus and whether this will go to market or be completed under the Alliance.	

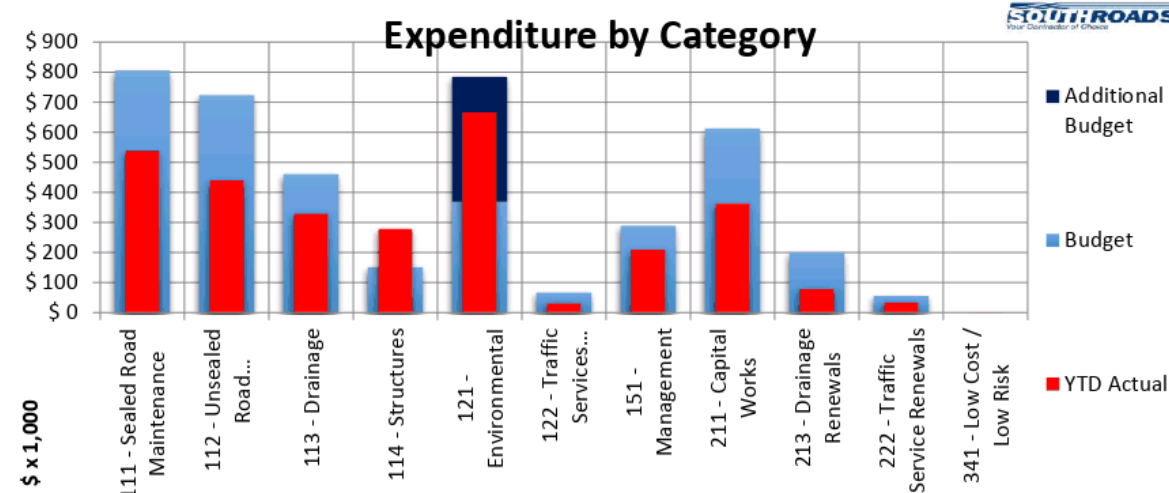
Another state of Emergency declared this month except it was a nationwide declaration due to Covid-19 which has stopped the nation in its tracks. We are currently under Lockdown which at this stage will be set to finish on Thursday 23rd of April but realistically will go on longer than that.

During the lockdown we have two by two men cyclic crews driving the network filling potholes, doing any dangerous edge break, re-instating any Give Way or Stop signs that need repaired or are broken and they are also responding to any emergency work that pops up and checking on any RFS's that might come in. Managers are working from home at approximately 50% capacity.

The drainage crew would have almost completed all the repairs this month but instead still have a little bit of work on Blackmore Road culvert replacement but this is passable and there is still some work to do on the Gow Creek bridge on Piano Flat Road. This has been made safe for now. The stabilising crew have completed all reseal repairs and had moved into the Central contract to complete theirs. If they had time, they were coming back into Waimea which won't happen now.

Other work that had started but is now on hold is, Wilding tree spraying, Sealed road shoulder spraying and mowing. OGEM work was continuing and drainage work that pushed us behind due to the flooding was due to start. Autumn TVC spray has been completed.

ALLIANCE EFFECTIVENESS & EFFICIENCY					
Sealed Network Achievement of Programme - 2020/21 Pre-Reseal Repairs					
Activity	20/21 Repairs	Mar-20	YTD	Remaining	% Completed
Depressions (m2)	4,474	420	420	4,054	9%
Edge Breaks (m)	10,246	2,732	2,732	7,514	27%
Dig Outs (m2)	-	-	-	-	0%
Stabilising (m2)	2,535	1,535	2,513	22	99%
Sites	133	19	19	114	14%
Kilometres	66	19	19	47	28%
Unsealed Network Achievement of Programme					
Activity	Budget	Mar-20	YTD	Remaining	% Completed
Metalling (m3)	22,000	-	11,974	10,026	54%
Grading (KM)	4,800	233	3,219	1,581	67%
Structures - Maintenance - Joint Alliances					
Activity	Quantity	Mar-20	YTD	Remaining	% Completed
Consultants List	18	-	17	1	94%
Bridge Inspections	833	42	467	366	44%

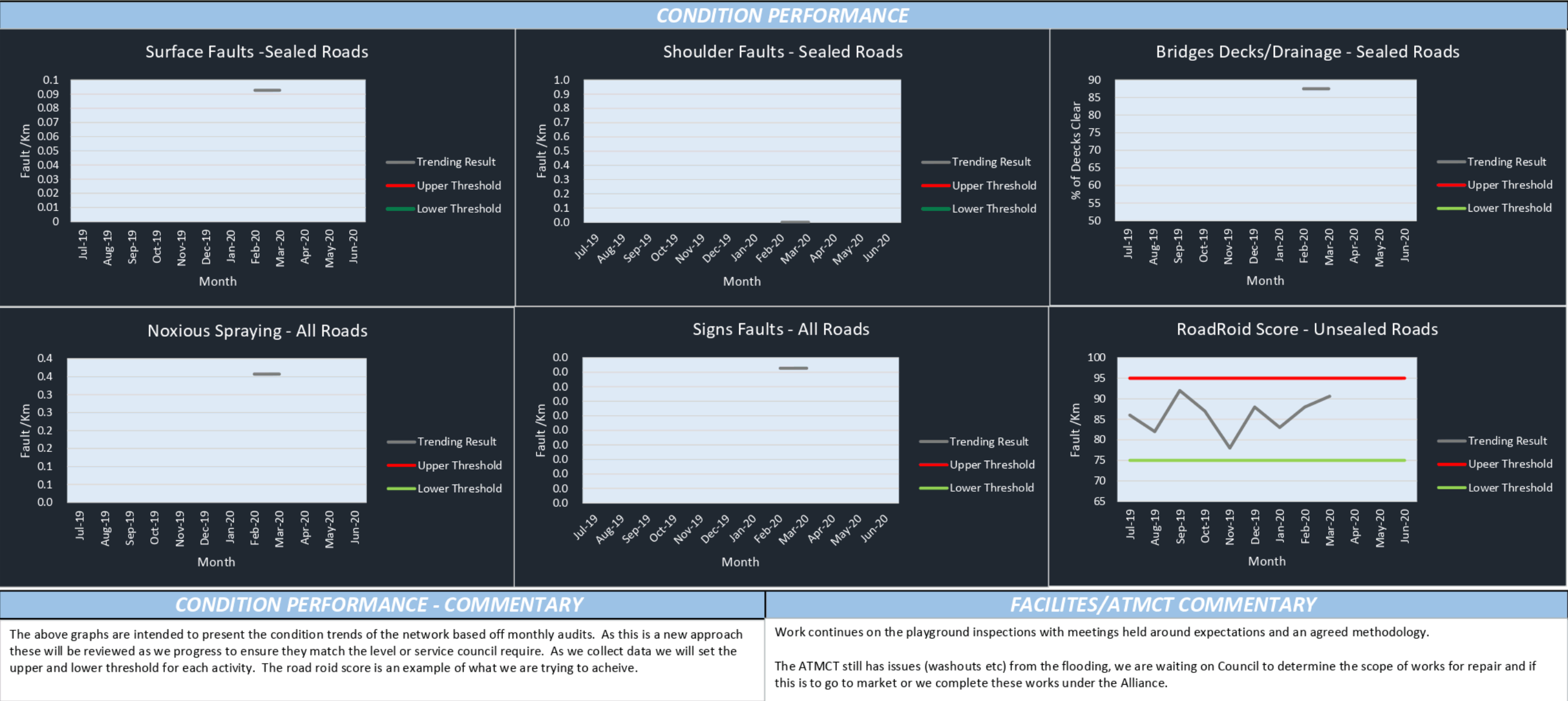


## FINANCIAL COMMENTARY

There was a huge portion of Emergency Work in this month's claim. Over \$200k of this month's claim was emergency repairs. Routine maintenance and signs work was completed. The Stabbie crew have also been working on the Waimea beat over the month. The Second Round of Shoulder mowing was also completed.



FINANCIAL SUMMARY													
	Annual Amount	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20
Original Total Cost Estimate	\$ 3,730,054	\$ 361,884	\$ 369,686	\$ 360,861	\$ 263,645	\$ 334,576	\$ 308,529	\$ 198,776	\$ 198,776	\$ 270,700	\$ 333,000	\$ 380,031	\$ 349,590
Actual Claim		\$ 409,088	\$ 282,469	\$ 377,685	\$ 289,587	\$ 329,348	\$ 308,763	\$ 335,509	\$ 368,881	\$ 418,376	\$ -	\$ -	\$ -
Year to Date Budget	\$ 3,082,498	\$ 361,884	\$ 731,570	\$ 1,092,431	\$ 1,356,076	\$ 1,690,652	\$ 1,999,181	\$ 2,197,957	\$ 2,606,733	\$ 3,082,498	\$ 3,415,498	\$ 3,795,529	\$ 4,145,119
Actual Claim YTD	\$ 3,119,706	\$ 409,088	\$ 691,557	\$ 1,069,242	\$ 1,358,829	\$ 1,688,177	\$ 1,996,940	\$ 2,332,448	\$ 2,701,329	\$ 3,119,706	\$ 3,119,706	\$ 3,119,706	\$ 3,119,706
Variance YTD	-\$ 37,208	Additional funds provided - Flooding event											





# Central Alliance - Summary Report March 2020



## CUSTOMER AND COMMUNITY GOVERNANCE

Requests for Services	Mar-20	YTD
General Requests for Road Service (RFS's)	55	663
Road Service Requests completed on time	51	589
Road Service Requests completed on time %	93%	89%

## HEALTH AND SAFETY

	Mar-20	YTD
Lost Time Incident (pass/fail >1)	-	1
Medical Treatment Intervention (pass/fail >1)	1	1
Near Hits Reported (pass/fail <5)	2	42
Site Safety & Traffic Management Audits completed (pass/fail <5)	1	50
Site Safety & Traffic Management non-compliances (pass/fail >1)	1	2

## PERFORMANCE SCORECARD

KEY RESULT AREA	WEIGHTING	SCORE
Financial - YTD	10%	10%
Customer and Community Governance	10%	9%
Health & Safety	20%	5%
Alliance Effectiveness & Efficiency	40%	39%
Pre-Reseal Repairs (75% 1st Oct, 90% 15th Nov, 100% 1st Dec).	10%	10%
Metalling Achievement	10%	10%
Grading Achievement	10%	9%
Rework (pass/fail 1)	10%	10%
Network Condition ** To be confirmed	20%	20%
<b>Overall Score</b>	<b>100%</b>	<b>83%</b>

## IDENTIFIED RISK & STRATEGY UPDATE

<b>Risk 1 - Otapiri Gorge</b>
Approx. 500m2 of digouts that require sealing prior to Winter or these will need to be held over until next season.
<b>Risk 2 - Largs Street (Wallacetown)</b>
Slip has occurred during the recent flooding, Council discussing with Consultants the best solution.
<b>Risk 3 - Townships stormwater</b>
Leaf fall has started and with no sump cleaning or pavement sweeper operating there is a risk of flooding.

What can I say about the start to 2020, for me it was a new job with fresh challenges, with the February flooding and that state of emergency, in which we responded well and met all challenges thrown at us, I never would have thought that we would be experiencing what we are going through with Covid-19. We are operating under lock down conditions, with managers working from home, however we have two Cyclic crews operating, these crews are taking care of rubbish, addressing any dangerous potholing, edge break, repairing signs and dealing with any RFS's that may come in. They are also doing checks on sites that are still signed up. The drainage crew were making good headway until the shut down, and now the culvert replacement at Spay Bush Winton Road to be first Job when we are back. The Stabi Crew arrived from Waimea and never got to start, so that is in front of us. The pre mix crew is still in Waimea and I think we will need to assess additional pre mix resource to ensure we get every thing done. The 4th round of mowing that was to start in mid March is on hold. The noxious spraying in Riverton and Orepuki and the flax in Lora Gorge was completed. The cyclic crews are doing unsealed and sealed road assessments, this data is being tabulated and will give us the immediate sites to send resource to once we are back on deck.

China Appears to be open for business now, and this will see a plethora of logging operators back on the network as soon as the lock down is lifted

## ALLIANCE EFFECTIVENESS & EFFICIENCY

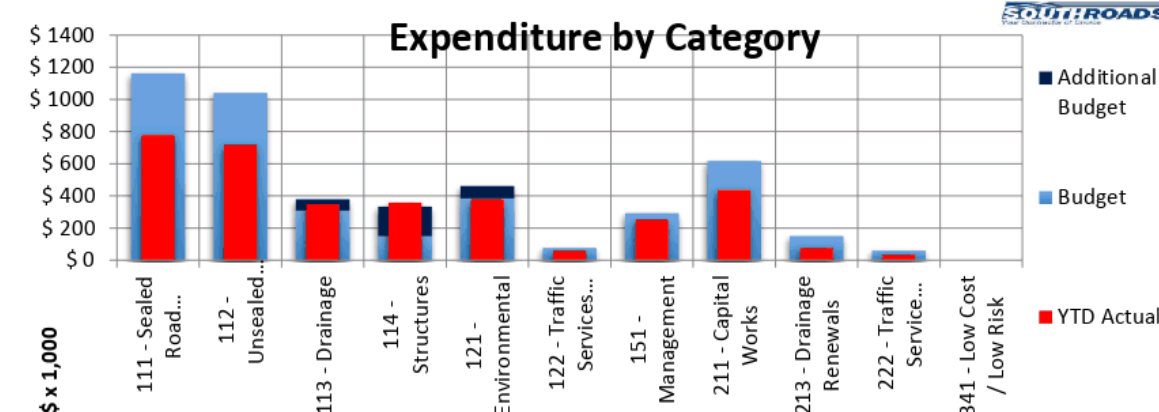
Sealed Network Achievement of Programme - 2020/21 Pre-Reseal Repairs					
Activity	20/21 Repairs	Mar-20	YTD	Remaining	% Completed
Depressions (m2)	7,455	403	403	7,052	5%
Edge Breaks (m)	9,015	297	297	8,718	3%
Dig Outs (m2)	-	-	-	-	0%
Stabilising (m2)	2,175	-	978	1,197	45%
Sites	133	75	75	58	56%
Kilometres	66	15	15	51	22%

Unsealed Network Achievement of Programme					
Activity	Budget	Mar-20	YTD	Remaining	% Completed
Metalling (m3)	22,000	1,768	14,943	7,057	68%
Grading (KM)	4,800	1,768	3,375	1,425	70%

Structures - Maintenance - Joint Alliances					
Activity	Quantity	Mar-20	YTD	Remaining	% Completed
Consultants List	18	0	17	1	94%
Bridge Inspections	833	42	467	366	44%

## FINANCIAL COMMENTARY

There was a approx. \$100K in Emergency Work in this month's claim. With the current Covid-19 crisis it is difficult to forecast the year end financial position. In the coming month we will know if we can get back on the network fully.

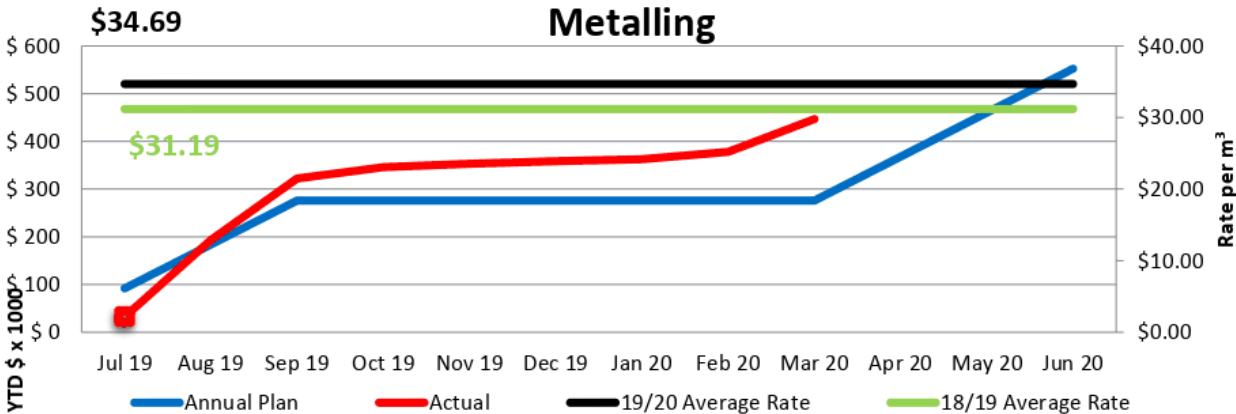
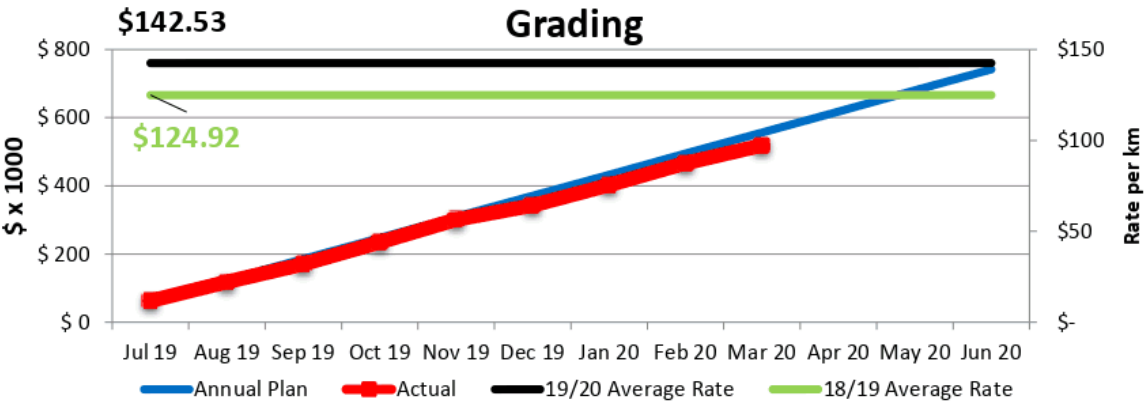
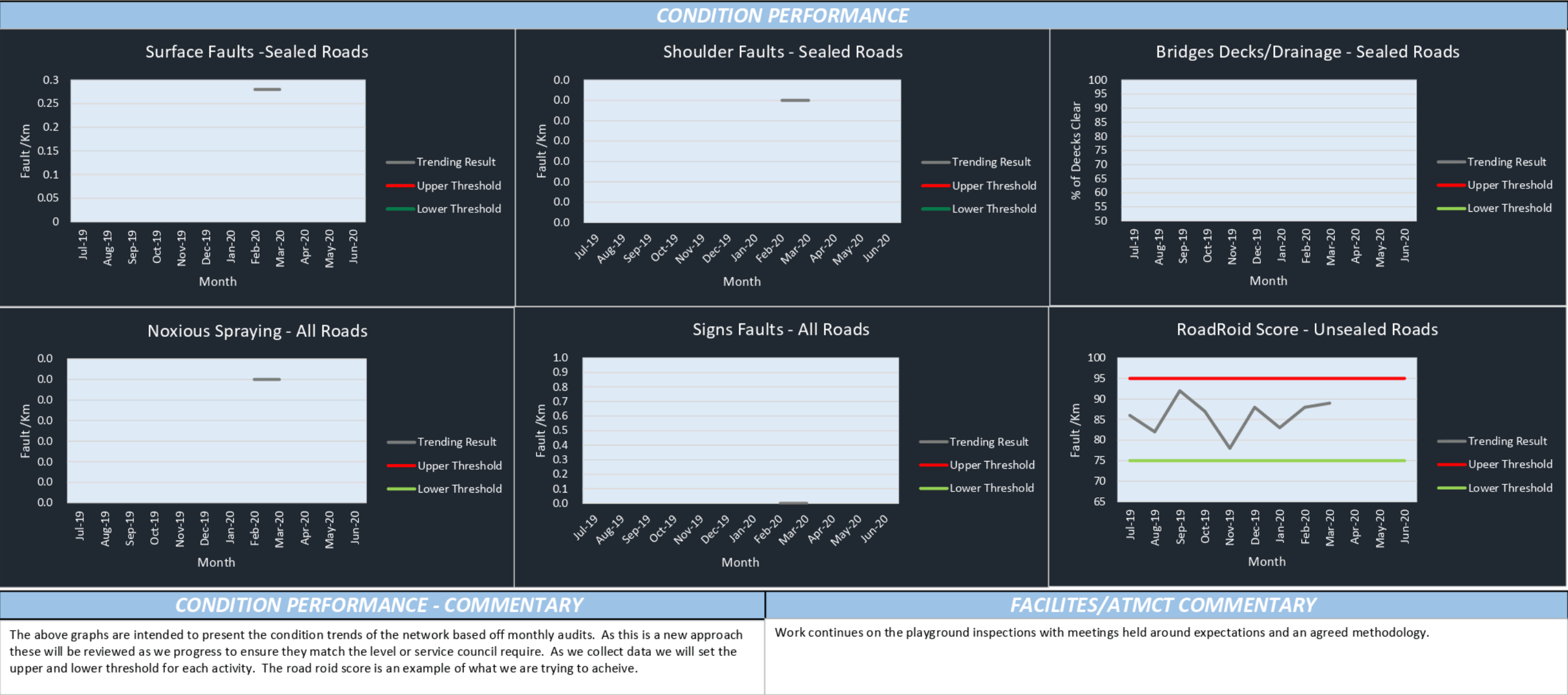


## FINANCIAL SUMMARY

	Annual \$	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20
Original Total Cost Estimate	\$ 4,241,512	\$ 346,249	\$ 346,249	\$ 343,030	\$ 362,138	\$ 362,138	\$ 347,429	\$ 356,852	\$ 331,877	\$ 344,517	\$ 367,011	\$ 367,011	\$ 367,011
Actual Claim		\$ 344,801	\$ 539,943	\$ 366,451	\$ 356,192	\$ 373,358	\$ 365,881	\$ 366,902	\$ 440,291	\$ 557,235	\$ -	\$ -	\$ -
Year to Date Budget	\$ 3,470,754	\$ 346,249	\$ 692,498	\$ 1,035,528	\$ 1,397,666	\$ 1,759,804	\$ 2,107,233	\$ 2,634,085	\$ 3,026,294	\$ 3,470,754	\$ 3,837,765	\$ 4,204,776	\$ 4,571,787
Actual Claim YTD	\$ 3,711,055	\$ 344,801	\$ 884,744	\$ 1,251,195	\$ 1,607,387	\$ 1,980,745	\$ 2,346,626	\$ 2,713,528	\$ 3,153,820	\$ 3,711,055	\$ 3,711,055	\$ 3,711,055	\$ 3,711,055
Variance YTD	-\$ 240,301												

Additional Funds provided - Gill Road Slip, Flooding Event & Bridge Repairs









# Summary Report – March 2020



## PERFORMANCE

EFFECTIVENESS	RFS	Number of Sign RFS's	monthly	4	
		Total number received since last report cycle (Excluding Signs)	monthly	37	
		# Not completed on time within the required timeframe	monthly	0	
		# Customers contacted (where possible)	monthly	39	
		# Non-performance related - where we provide customer support (e.g. farmers mess, incident response etc.)	Monthly	0	
		RFS Contract Management Resource (hours)	monthly	15	
	CONDITION RATING	Field Audit	monthly	New system under trial	
		Monthly score Card (under trial)	Annual	This Mth 88%	YTD Ave 89%
	PROGRAMME	Activity Calendar	Quarterly	All on track	

PEOPLE / CULTURE	TEAM SAFETY	Medical Treatment Intervention - #	monthly	0	1
		Lost Time Injury - #	monthly	0	0
		Near Miss/OFI - #	monthly	0	32
		Site Safety Audits	As completed	6	
	TEAM HEALTH / AMT	Satisfaction - 3 monthly measure	Quarterly	95%	
		Team Harmony - 3 monthly measure	Quarterly	98%	
	ROAD USER SATISFACTION	SDC survey, as completed	As completed	0	0
		# complaints (not normal RFS) vs. compliments	Monthly	0 Complaints 0 Compliments	2 Complaints 5 Compliments

## RISK & STRATEGY UPDATES NB NO CHANGE HERE FROM JUNE REPORT

Identified Risks		Update
Roads	Waikawa Curio Bay Otta Seal	Major rock protection work completed to protect against tidal wash, however the Otta seal continues to break break up – In holding pattern now – more gravel spread at start of Dec until Council decides what they want to do with the seal.
Slips		
	Ringa Ringa Bay - SI	Tidal Erosion is steadily increasing - Graham and Brendan are keeping an eye on this. Concerns over the last month. Drone footage is available. (Weekly inspection cost are starting to add up)
Strategic		
	Non Maintained Roads	Roads that are currently in RAMM but have not been maintained for whatever reason in the past (some 43KM). at \$30K/km this represent \$1.3M risk (worst case) – action – to follow up on agreement and update RAMM

March has seen very good progress on a number of fronts, 3 good weeks of verge spraying sees us with only 412km (10 days) to complete 2 sealed rounds and 1 unsealed as originally planned. The Stabi crew too managed to stay on program – although the last 2 weeks work which is predominately pre-reseal repairs may well have to happen next season now. The team also took advantage of the “cut to waste” material from the Quarry hills AWPT to complete some additional unsealed AWPT's in the area and our drainage crew managed to complete the remaining Flood damage repairs assigned to them.

Just over \$500K has now been spent on February's Civil defence repairs, this see the majority of work complete and only 350m of road reinstatement at the 11km mark on Tokanui Gorge road to complete (\$80-\$100K remaining est).

With the current Govt Lock down in progress all work has now ceased with the exception of toilet cleaning and rubbish collection. We have our 2 supervisor's completing alternative days inspection and response to RFS's – the teams approach is to only repair work that you do on Xmas day, this is proving to be a good guide, and one callers seem to relate well to.

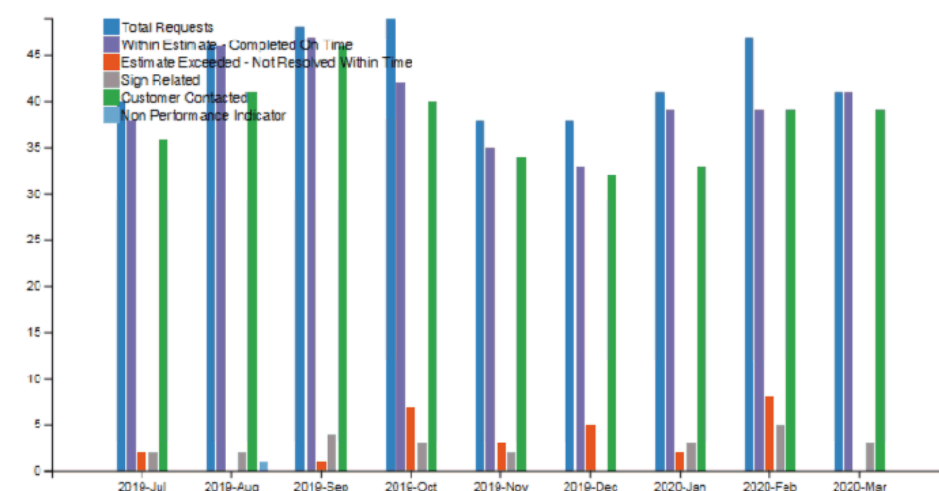
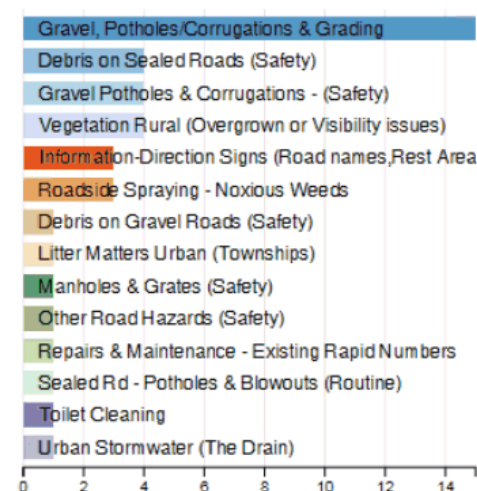
Some analysis of cash flow shows that although we are predicting almost no spend in April, we only need slightly increased spend in the remaining two months (assuming the lock down is over in 4 weeks) to maintain our annual total spend – in some ways this enables us to absorb the additional spend from the previous 2 months. It does however put some pressure to maintain plants rates and cover the short fall between Govt subsidy and the 80% wages required to be paid to employees – some further discussion will be required here.

All other staff remain at home and are available for call out should this be necessary.

## SUPERVISOR – CUSTOMER RELATIONS

We have seen a steady drop over the month to the point where we were receiving about 2 per day pre lock down – the first week of lockdown has seen a further reduction with all customers contacted being asked if the issue was “something they would expect staff to fix on Xmas day” the answer each time has been “no” and callers have been very understanding at this approach – all calls are still logged in RAMM and checked onsite by our supervisors so a priority can be assigned when the lock down is over.

## RFS GRAPHS - RFS MONTHLY TOTAL BY TYPE (LEFT) AND YEAR TO DATE REQUESTS (RIGHT)



## PROGRESS

Item	Completed	Comments
Non-Reeseal Stabi's Budget 4,000m2	1,168 mth 4,057 m2 YTD	Included 1141m2 Flood repair work
Metalling Budget: 13,797m3	1356m3 mth, 10,092 m3 YTD	10,290m3 programed, additional Budget now approved
Grading Budget: 3,800km	349 km mth, 2,988 km YTD	On track
Verge Spraying Budget: 1,800km	407 km mth 1,557 km YTD	3 weeks work left
Noxious Spraying Budget: 1,313km	12 km mth 529 km YTD	Stewart Island completed
Bridge Repairs Budget \$82,317	\$3,500 mth \$47,755 YTD	\$ exclude Evans Road /Scrubby Hill, routine program now received
Drainage Repairs Budget 30km watertable	5.6km water table	

### 20 / 21 - Pre Reseal Repairs

Activity	Original Prog Qty	Comp Qty	Remaining Qty
Depressions (Levelling) m²	165m2	0	91m2
Edge Breaks/low shoulder m	6903m	0	6833m
Clear watertables m	700m	0	700m
Stabilisation m²	1670m2	1327m2	744m2
Texturising/flushing	270m2	0	240m2
Hi Lipping m	3312m	0	3312m
0 of 41 Sites Completed - 00%		0km of 38km Completed - 00%	

### RAMM Update

SDC Roading team update needed

FINANCIAL REPORT

GOLD STR INITIATIVES

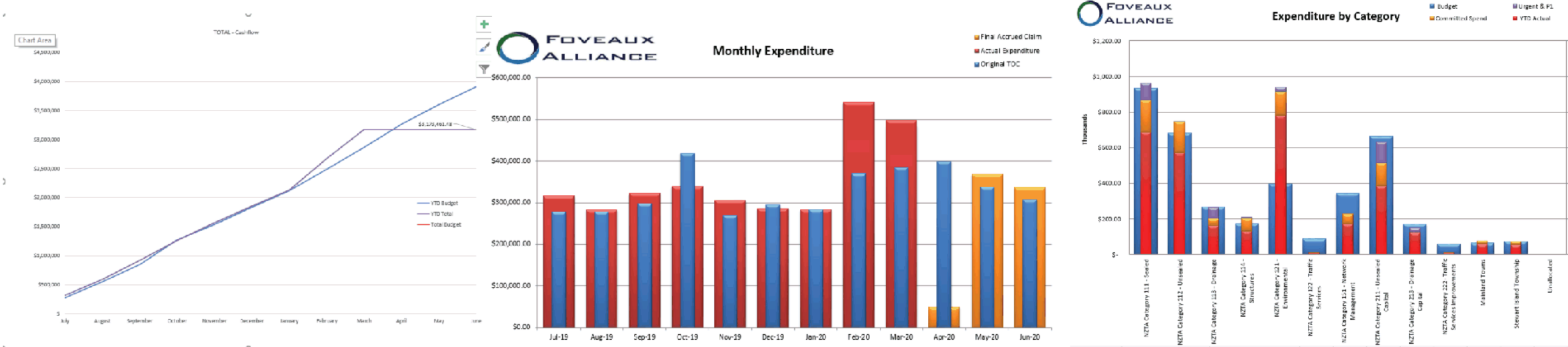
AMT ACTIONS

The claim for the month was \$502,121.13  
Year to date expenditure is \$3,194,006.54

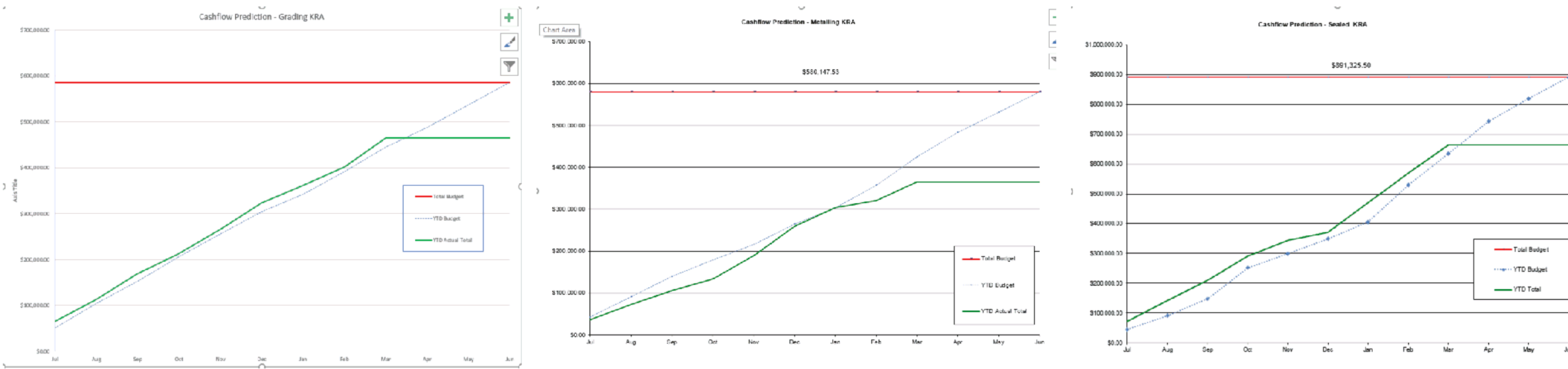


1. Next year's budgets over the next few months

FINANCIAL GRAPHS



KEY PERFORMANCE INDICATOR GRAPHS



## Alternative Coastal Route - Haldane Estuary Otta sealed section

**Record No:** R/20/4/9461  
**Author:** Rob Hayes, Roading Engineer  
**Approved by:** Matt Russell, Group Manager Services and Assets

☒ Decision

☐ Recommendation

☐ Information

### Purpose

- 1 To request the committee to approve strategic transport to revert the Otara-Haldane Road, Haldane estuary Otta sealed section back to gravel.

### Executive summary

- 2 Since the completion of the alternative costal route project the Otta sealed section has required a significant amount of pavement maintenance. Strategic transport's evaluation suggests that it is uneconomical for Council to continue to maintain this section as an Otta seal.

### Recommendation

**That the Services and Assets Committee:**

- a) **Receives the report titled "Alternative Coastal Route - Haldane Estuary Otta sealed section" dated 30 April 2020.**
- b) **Determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.**
- c) **Determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.**
- d) **Approves the recommended option one and revert the 1800m section back to gravel.**

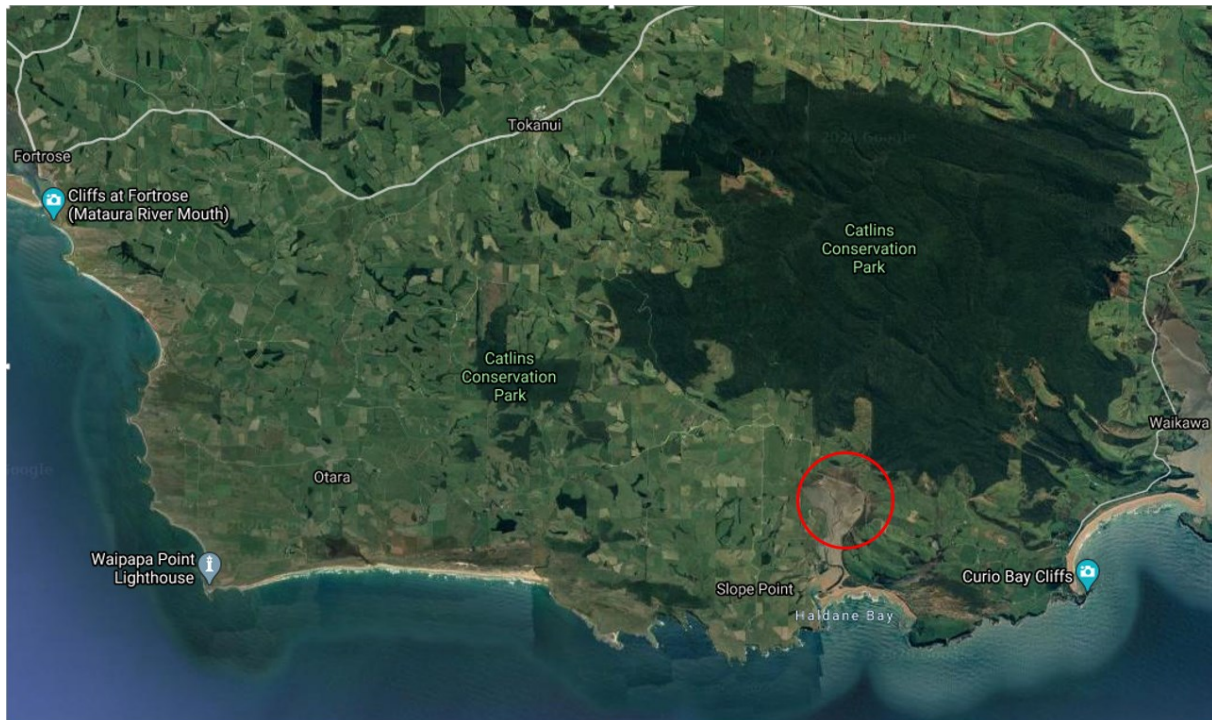
### Background

- 3 The alternative coastal route project involved the sealing or Otta sealing of approximately 23 kilometres of road to enhance tourist potential, experience and safety on the last unsealed section of the alternative coastal route on the southern scenic route and the two main side trips off this section.
- 4 Southland District Council had a limited budget available for this project so with both the design and construction, had to achieve a balanced solution between initial costs and long term safety and future maintenance costs. During the business case phase stage several risks were identified



including the tidal flood prone section of approximately 1800 metres directly adjacent to the Haldane Estuary, and as a result was Otta sealed. The reason for the use of Otta seal in this location was to reduce the amount invested in this higher risk section, which may also need to be raised in the future to cope with rising sea levels.

- 5 Technically this section is still designated as a gravel road because the Otta seal is considered a dust suppressant treatment and therefore it is not currently a sealed road.



## Issues

- 6 Since the completion of the project strategic transport has undertaken ongoing maintenance due to wave action and flood damage. Through the alliance maintenance contract pavement repairs have been carried out by stabilising and chip sealing some of the failures in an effort to keep the surface similar to the Otta seal. Rock protection works have also been carried out in an effort to save the road surface, however, this has not been successful.
- 7 Strategic transport do not believe it's economical for Council to continue to maintain this section as an Otta seal.

## Factors to consider

### Community views

- 8 We have not undertaken any communication with local residence, however, locals will be well aware of the situation and the work completed to date by the Foveaux Alliance.
- 9 From a network experience prospective, this section reverting back to a gravel surface, could be a perceived reduction of level of service.
- 10 If Council are of a mind to support the recommendation, prior to any works being undertaken communication with the local residents in particular would need to take place.

### Costs and funding

- 11 To date we have invested approximately \$30,000 on pavement repairs and \$30,000 on rock protection work.
- 12 This season we had another 1800m<sup>2</sup> of stabilisation repairs programmed at an estimated cost of \$60,000. We have not proceeded and in recent months we have placed maintenance gravel over the damaged Otta seal areas due to the safety concerns.
- 13 If we continue to maintain to the current standard, costs indicate and investment of approximately \$240,000.00 over the next four years. This is based on the majority of the section needing to be repaired in that time frame.
- 14 A gravel surface can be funded long term from existing Foveaux Alliance contract budgets.

### Analysis

#### Options considered

- 15 Strategic transport have identified three main options for the committee's consideration:
  - option one: revert back to a gravel surface
  - option two: continue with annual heavy duty maintenance
  - option three: raise or relocate the road

### Analysis of options

#### Option 1 – revert back to a gravel surface

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"><li>• the surface can be quickly and relatively cheaply fixed</li><li>• current maintenance costs could be significantly reduced</li></ul>	<ul style="list-style-type: none"><li>• the section is no longer Otta sealed</li><li>• the road will have normal gravel road pros and cons including dust during summer months</li><li>• negative public perception associated with change in levels of service</li></ul>

#### Option 2 – continue with annual heavy duty maintenance

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"><li>• keeps the Otta/chips sealed surface through the section</li><li>• maintains the current level of service</li></ul>	<ul style="list-style-type: none"><li>• the section quickly becomes one huge stabilisation patch as the repairs start to link up (sealed road by default)</li><li>• high ongoing maintenance costs, particularly in the shorter term</li></ul>

**Option 3 – Raise or relocate the road**

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"><li>would be a long term solution</li></ul>	<ul style="list-style-type: none"><li>a significant investment would be required</li><li>we estimate that a \$1M plus budget would be required to raise this section of road</li></ul>

**Recommended option**

- 16 Option one: revert back to a gravel surface

**Next steps**

- 17 Proceed to place and maintain a gravel running surface on top of the Otta seal.

**Attachments**

There are no attachments for this report.



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## Exclusion of the Public: Local Government Official Information and Meetings Act 1987

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### Recommendation

That the public be excluded from the following part(s) of the proceedings of this meeting.

#### **C8.1 Invercargill Office Relocation Procurement Strategy**

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
Invercargill Office Relocation Procurement Strategy	s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.