

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

Date:	Wednesday, 21 June 2017
Time:	9am
Meeting Room:	Council Chambers
Venue:	15 Forth Street
	Invercargill

Services and Assets Committee Agenda OPEN

MEMBERSHIP

Chairperson	Brian Dillon
	Mayor Gary Tong
Councillors	Stuart Baird
	John Douglas
	Paul Duffy
	Bruce Ford
	Darren Frazer
	George Harpur
	Julie Keast
	Ebel Kremer
	Gavin Macpherson
	Neil Paterson
	Nick Perham

IN ATTENDANCE

Committee AdvisorFiona DunlopGroup Manager Services and AssetsIan Marshall

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Full agendas are available on Council's Website www.southlanddc.govt.nz

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

The Services and Assets Committee is responsible for overseeing the following Council activities:

- • Transport;
- Property management including community facilities, acquisitions and disposals (including land dealings);
- Including land
 Forestry;
- Water supply, wastewater and stormwater;
- Solid waste management;
- Flood protection;
- Waste management;
- Rural fire management;
- Te Anau Airport;
- Stewart Island Jetties and Riverton Harbour Committee;
- Water supply schemes.

The Services and Assets Committee shall have the following delegated powers and be accountable to Council for the exercising of these powers:

- (a) Monitoring the delivery of capital works projects and the implementation of the capital works programme.
- (b) Monitoring the delivery of operations and maintenance contracts.
- (c) To approve and/or assign all contracts for work, services or supplies where the value is in excess of \$200,000 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 \$2M a prior review and recommendation of the business case by the Finance and Audit Committee is required. The business case shall include as a minimum; risk assessment, a procurement plan and financial costings.
- (d) To monitor the return on all the Council's investments including forestry;
- (e) To monitor and track Council contracts and compliance with contractual specifications.

The Services and Assets Committee is responsible for considering and making recommendations to Council regarding:

- (a) Policies relating to the scope of activities of the Services and Assets Committee;
- (b) Changes to Council's adopted Levels of Service;
- (c) The dividend from the Forestry Business Unit.

The Services and Assets Committee may delegate the management and control of all Riverton harbour assets vested in the Southland District Council to the Riverton Harbour Committee.

The Services and Assets Committee may delegate the responsibility to oversee the development and maintenance of jetties located at Fred's Camp, Millars Beach, Ulva Island, Port William and Little Glory Cove to the Stewart Island Jetties Subcommittee.



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PUBLIC EXCLUDED

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C9.1 Southland District Council Resurfacing Programme Error! Bookmark not defined.



1 Apologies

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

2 Leave of absence

At the close of the agenda the following requests for Leave of Absence were received:

Councillors Duffy, Kremer and Keast.

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 <u>www.southlanddc.govt.nz</u> 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
 - 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, 5 April 2017



Services and Assets Committee OPEN MINUTES

Minutes of a meeting of Services and Assets Committee held in the Council Chambers, 15 Forth Street, Invercargill on Wednesday, 5 April 2017 at 10.32am.

PRESENT

- Chairperson
- Councillors
- Brian Dillon Mayor Gary Tong John Douglas Paul Duffy Bruce Ford Darren Frazer George Harpur Julie Keast Gavin Macpherson Nick Perham

IN ATTENDANCE

Chief Executive Officer – Steve Ruru, Group Manager, Services and Assets – Ian Marshall, Communications Manager – Louise Pagan, Governance and Democracy Manager – Clare Sullivan and Committee Advisor – Fiona Dunlop



1 Apologies

Apologies for absence were received from Councillors Baird, Kremer and Paterson.

Moved Cr Douglas, seconded Cr Keast and resolved:

That the Services and Assets Committee 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

There was no public forum.

5 Extraordinary/Urgent Items

There were no Extraordinary/Urgent items.

6 Confirmation of Minutes

There were no minutes to confirm as this is the first meeting of the Committee.

Reports

7.1 Forestry Operations - Financial Report to 31 December 2016

Record No: R/17/1/1091

IFS Growth Forest Manager South – Reece McKenzie and Group Manager, Services and Assets – Ian Marshall were in attendance for this item.

They gave a brief overview of the financial situation with the Southland District Council forestry interests.

Resolution

Moved Cr Keast, seconded Cr Macpherson and resolved:

That the Services and Assets Committee:

a) Receives the report titled "Forestry Operations - Financial Report to 31 December 2016" dated 29 March 2017.

7.2 Forestry Operations Management Report

Record No: R/17/3/6574

IFS Growth Forest Manager South – Reece McKenzie and Group Manager, Services and Assets – Ian Marshall were in attendance for this item.



Mr McKenzie advised that the report to the Committee was for the year to date as at 28 February 2017. He particularly highlighted the Health and Safety section of the report. He advised that the Forestry industry is very active with drug and alcohol testing.

The meeting noted that part of the Health and Safety processes IFS Growth have undergone two full systems audits within the past 12 months. One of the audits was a ACC audit and IFS Growth attained Tertiary Status. This is a major improvement on the Primary Status from the audit conducted two years ago.

Mr McKenzie further advised that the improvement in the status is because of their systems being improved and that they are continually being updated and monitored.

The meeting also noted that all contractors to IFS have subscribed to the Forest Safe Health and Safety Management Programme. This is to ensure that all contractors systems are in order and in line with current Health and Safety standards.

Resolution

Moved Cr Perham, seconded Cr Frazer and resolved:

That the Services and Assets Committee:

- a) Receives the report titled "Forestry Operations Management Report" dated 29 March 2017.
- b) Notes the projected increase in net income for the 2016/17 period.

7.3 Services and Assets Contracts Update

Record No: R/17/3/6376

Group Manager, Services and Assets – Ian Marshall was in attendance for this item.

Mr Marshall advised that the purpose of the report was to inform the Committee on the progress of status of all contracts with the Services and Assets Department.

Resolution

Moved Chairperson Dillon, seconded Cr Ford and resolved:

That the Services and Assets Committee:

a) Receives the report titled "Services and Assets Contracts Update" dated 29 March 2017.

7.4 Roading Operations February 2017

Record No: R/17/3/6159

Commercial Lead Roading – Dylan Rabbidge and Group Manager, Services and Assets – Ian Marshall will be in attendance for this item.

Mr Rabbidge advised that the report was to inform the Committee on the progress of the major roading maintenance contracts.



The meeting noted that there are three contracts currently in the tendering process and will be finalised for awarding prior to 30 June 2017.

Resolution

Moved Cr Duffy, seconded Cr Harpur and resolved:

That the Services and Assets Committee:

- a) Receives the report titled "Roading Operations February 2017" dated 29 March 2017.
- 7.5 Downer Water and Wastewater Maintenance Contract 10/01 Monthly Report for January 2017

Record No: R/17/3/5577

Strategic Manager Water and Waste – Ian Evans, Operations Manager, Water and Waste Services – Bill Witham and Group Manager, Services and Assets – Ian Marshall will be in attendance for this item.

The Officers advised that the report was to update the Committee on the progress of the Downer Water and Wastewater Maintenance Contract 10/01.

Resolution

Moved Cr Ford, seconded Cr Macpherson and resolved:

That the Services and Assets Committee:

a) Receives the report titled "Downer Water and Wastewater Maintenance Contract 10/01 - Monthly Report for January 2017" dated 29 March 2017.

The meeting concluded at 11.27am.

CONFIRMED AS A TRUE AND CORRECT RECORD AT A MEETING OF THE SERVICES AND ASSETS COMMITTEE HELD ON WEDNESDAY 5 APRIL 2017.

<u>DATE</u>:.....

CHAIRPERSON:.....



New Professional Services Contract

Record No: Author: Approved by:	Author: Hartley Hare, Roading Asset Management Er	
Decision	□ Recommendation	□ Information

Purpose

1 This report outlines the proposed procurement strategy for Southland District Council Transport Professional Services and seeks affirmation from the Services and Asset Committee for the procurement of this service.

Executive Summary

2 This report covers the Transport Professional Services requirements and outlines the proposed procurement methodology of these services. The contract covers technical, specialised and support services for the Council's Transport activity.

Recommendation

That the Services and Assets Committee:

- a) Receives the report titled "New Professional Services Contract" dated 13 June 2017.
- 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 procurement of Transport Professional Services.
- e) Endorse that delegation be provided to the Chief Executive to award the contract based on an estimated tender value of \$1.950M.

Content

Background

3 The current Transport Professional Services Contract is due to expire on 30 September 2017. At this time the contract would have be held by the incumbent consultant Stantec (formally MWH) since 1 July 2012.

- 4 The tender documents for the new Professional Services Contract (Contract 17/04) effective from 1 October 2017 have been written to promote a focused approach to Council's core professional service's needs.
 - 5 The contract term is three years plus potential renewals of two further one year terms (3+1+1).
 - 6 The new contract provides for transparent and succinct performance monitoring against an agreed set of Key Result Areas (KRAs).
 - 7 The scope includes a small dedicated team of six engineers to support the Transport Team in a range of tasks including:
 - Providing advice in respect of Council's network and bridging strategies including development, asset management, maintenance and safety.
 - Management of the road corridor under a range of legislative requirements.
 - Asset management including data capture, interpretation and reviews of the Asset Management Plans.
 - Pavement condition rating.
 - Network safety and traffic engineering.
 - Structural inspections of bridges and other structures and drafting gazette notices for posted bridges.
 - Developing the capital works programmes for pavement and bridge renewals and reseals.
 - Procurement and contract management of the reseals contract.
 - Design and procurement of delivery of pavement rehabilitations.
 - Preparation of business cases for larger bridge renewals for NZTA approval.
 - Design and procurement and contract management of delivery of the bridge renewal programme.
 - Processing of overweight and High Productivity Motor Vehicle permits.
 - Network asset valuations.
 - 8 The contract provided for additional specialist resources when required by Council (eg, geotechnical investigations, legal survey, etc).

Review and improvement

9 Overall the contract has been very successful in its purpose of supporting Council's delivery of its transport programmes however there have been some issues primarily relating to workloads and the levels of resource available to deliver parts of the capital programme.

- 10 In particular, the full delivery of the pavement rehabilitation programme and bridge programme has be challenging for Council's management and this has caused some rethinking of the best way of procuring these services to enable more flexibility for Council, recognising that there are at least three local consultant firms with pavement design and contract management capability and at least two with in-depth structural capability for bridge and related works including the incumbent consultant Stantec.
- 11 It is proposed therefore to structure the new professional services contracts in a way that provides solid technical/professional support with continuity in key areas but with higher flexibility that is designed to more efficient and to fully deliver Council's Transport programme. This will be achieved by the following approach;
 - A Professional Services for Core Transport Operations Contract this includes a small dedicated team of engineers and most of the scope of the current contract except for bridge and pavement rehabilitation projects. Proposals are about to be sought for this as services must commence on 1 October 2017.
 - A Bridge Services Contract that includes specialist structural inspections of current bridge stock, planned renewal programming, business cases to support larger renewal for NZTA approvals, design and procurement of the renewal programme including contract management. Proposals will shortly be sought for this contract.
 - A small panel (say three) of pre-qualified pavement consultants who are expert in pavement design, procurement and delivery of pavement rehabilitation projects. The pre-qualification will be done through an 'expression of interest' process which includes considering each consultants' experience and capability to provide the required services. This will enable simple procurement of projects either on a negotiated basis or competitively amongst the panel as appropriate. It also enables Council to take in to account past delivery performance when seeking proposals and award projects on a best value basis taking quality, time and cost into account. This approach maintains an ongoing competitive regime which should improve overall delivery performance. Registrations of interest will be called for shortly.

Tender Process

- 12 A two envelope system is proposed for submission of tenders with Envelope 1 containing non-price information and Envelope 2 containing price information. Tenders are to be evaluated using a modified Price Quality Method and a preferred tenderer selected in a staged process
- 13 Tenderers were required to establish their credentials in terms of non-price attributes:
 - Relevant experience and track record;
 - Technical and management skills;
 - Methodology;
 - Health and safety; and
 - Insurance.

- 14 The price schedule provided for:
 - Specified Core Services provided by a dedicated team based in the District (three year lump sum) which does represent a commitment.
 - Other Services that are of a specialist nature that may be used from time to time as required but there is no commitment to use any specified quantum of these services (priced as a schedule of hourly rates based on nominated numbers of hours for the purpose of comparing tender prices)

Issues

15 There are no specific or unusual issues to note beyond those discussed elsewhere in the report.

Factors to Consider

Legal and Statutory Requirements

- 16 No significantly unusual legal consideration are involved with this tender. As with all larger value tenders, there is the risk of a legal challenge regarding the tender outcome form unsuccessful tenders.
- 17 To reduce this risk an external consultant (Morrison Low) will be engaged to assist with the procurement process including participation as part of the Tender Evaluation Team.

Community Views

- 18 No specific community view have been sought outside of Council's Long Term Plan or Annual Plan process due the nature of the service primarily being s professional engineering services contract for the continued support and deliver of Council's Transport activates .
- 19 As outlined in the report the objective is to deliver better decision making and outcomes to the benefit of the wider community.

Costs and Funding

- 20 The costs will continue to be part of the overall roading budget with the NZTA share being apportioned appropriately.
- 21 As an indication of the order of the annual estimated budget (including NZTA share), the service value for the core service is assessed at \$1.950M for the initial three year term.

Policy Implications

22 The NZTA evaluation process will be followed along with Council's Procurement Policy.

ltem 7.1

Analysis

Options Considered

23 The options considered look at service delivery of in-house versus outsourced.

Analysis of Options

Option 1 - In House Services

Advantages	Disadvantages			
Greater level of direct control	 Loss of focus due to other priority's (squeaky wheel). 			
	 Paying for specialised services that may not be fully utilised. 			

Option 2 - Out Sourced Services

4	Advantages	Disadvantages		
•	Access to greater number of specialised	Loss of control as no direct over sight.		
		• Lack of trust, as it can be challenging to		
•	Greater flexibility to use specialised resources only when required.	trust that the effort required is being put in.		
•	Greater focus on getter the job done well.	Risk of lack of customer focus.		
•	Greater ability to deal with work load peaks and troughs.			

24 The Review of Roading Service Delivery carried out by Morrison Low during September and October 2015 recommended that SDC continues to use its current service delivery framework of in-house client/ owner and representational functions and outsourced specialist engineering advice.

Assessment of Significance

25 While the dollar value and the term of the contract could be considered significant the recurring nature and need for the work is not.

Recommended Option

26 It is recommended that Services and Assets approve the procurement methodology for the Professional Engineering Services.

Next Steps

27 Complete tendering, evaluation and award of Professional Engineering Services.

Attachments

There are no attachments for this report.



Forestry Operations - Financial Report to 31 March 2017

Record No:R/17/5/11530Author:Ben du Mez, Graduate AccountantApproved by:Ian Marshall, Group Manager Services and Assets

□ Decision □ Recommendation ⊠ Information

Management Commentary

- 1 Forestry activity is gaining momentum with a strong finish expected for the year. This past period has seen the start of the main harvest program in Dipton Forest, with production in excess of 10,000 tonnes per month. The annual harvest target this year is 46,000, with 45% cut so far.
- 2 Income to date comprises of \$2.3M of timber sales from Dipton and road-line harvesting in the Waikaia Forest. Total forecast timber sales should be close to \$4.6M by the end of the financial year, up \$1.3M on the reported October year end forecast. Strong log prices (\$20/tonne higher than budget) are the main driver of this result.
- 3 Expenditure to date stands at \$1.4M. This has been predominantly associated with harvest and roading operations at Dipton and Waikaia (\$990K), pruning in Ohai and Gowan Hills (\$150K), replanting in Dipton (\$31K) and costs for forest management and general maintenance. Expenditure at year end is forecast at \$2.5M.
- 4 The year to date position reflects a surplus of \$907K, it is now expected the net surplus at year end will be \$2.1M, compared to a budget of \$813K. This \$1.3M variation is reflective of stronger log prices as noted above.

Reul-

Reece McKenzie FOREST MANAGER IFS GROWTH LIMITED

Financial Reports

Southland District Council Forestry

Statement of Financial Performance For the period ended 31 March 2017					
	Actual 31/03/2017	Year-End Forecast (October)	Percentage of Year-End Forecast	Annual LTP Budget	
Income					
Administration	-	-	100%	-	
Dipton Forest	1,629,463	2,006,845	81%	1,054,400	
Gowan Hills Forest	-	-	100%	-	
Ohai Forest	-	383,377	0%	177,450	
Waikaia Forest	645,042	932,518	69%	430,000	
	2,274,505	3,322,740	68%	1,661,850	
Less Expenditure					
Administration	58,089	94,154	62%	94,154	
Dipton Forest	667,704	1,211,663	55%	259,218	
Gowan Hills Forest	48,153	47,404	102%	47,404	
Ohai Forest	162,715	535,584	30%	329,657	
Waikaia Forest	431,110	620,722	69%	118,204	
	1,367,771	2,509,527	55%	848,637	
Net Surplus/(Deficit)	906,734	813,213	112%	813,213	
Plus/less Forestry Revaluation Surplus/(Deficit)	-	-	100%	-	
Net Surplus/(Deficit) after forestry revaluation	906,734	813,213	112%	813,213	

Statement of Changes in Equity For the period ended 31 March 2017

	Actual 31/03/2017	Actual 30/6/2016
Total Equity at the beginning of the year Increase/(Decrease) in Revaluation Reserve	18,587,074 -	14,450,998 -
Net Surplus/(Deficit)	906,734	4,736,076
Total Recognised Revenues and Expenses	19,493,807	19,187,074
Other		
Distribution of Dividend		600,000
	-	600,000
ENDING EQUITY	19,493,807	18,587,074

Statement of Financial Position As at 31 March 2017

	Note	Actual 31/03/2017	Actual 30/6/2016
Equity and Reserves Accumulated Funds		19,493,807	18,587,074
TOTAL EQUITY		19,493,807	18,587,074
Represented by:			
Current Assets		<u> </u>	
Non Current Assets			
Forestry Reserve	4	3,601,031	2,692,676
Emission Trading Units	2	2,084,969	2,084,969
Other Plant		8,647	9,273
Improvements		8,278	9,272
Land	5	839,885	839,885
Forestry	1	12,951,000	12,951,000
		19,493,810	18,587,074
NET ASSETS		19,493,807	18,587,074

Notes to the Accounts For the period ended 31 March 2017

Forestry	Actual 31/03/2017	Actual 30/6/2016
Opening Balance Current Year Revaluation Value of Forestry	12,951,000 - - 12,951,000	11,331,000 1,620,000 12,951,000

2 Emission Trading Units

1

The Council is part of the Emissions Trading Scheme (ETS) for both its pre 1990 forests (mandatory participation) and its post 1989 forests (voluntary participation). Under the ETS, the Council is allocated New Zealand (NZUs). An initial free allocation of NZUs is provided in relation to pre 1990 forests. An annual allocation of NZUs is provided in relation to post 1989 forests as carbon is sequestered (from 1 January 2008). The Council accounts for NZUs allocated at a market value of \$17.85 per unit at 30th June 2016 (2015 \$6.80).

ETU, opening (July 2016) Received in 2016/2017 year Total	116,805 -
Total	116,805
Total value at \$17.85 (market value 30/6/16)	\$2,084,969

As at 31 March 2017 the market value of are NZU's is \$17.20. This is a decrease of \$0.65 per unit (total of \$75,923) since 30 June 2016. This change in value has not been reflected in the year to date financials. The movement in value will be accounted for in June 2017 as part of the year end process.

3 Interest

Interest earned for the year to date has not been included. Interest allocation across Council's total investments is undertaken annually at year end (30 June). At the time this report was produced this allocation calculation was yet to be completed.

4 Reserves

4	Reserves		Actual 31/03/2017	Actual 30/6/2016
(Opening Balance		2,692,677	1,485,051
F	Plus Net Surplus/(Deficit) before revaluation		906,734	3,113,917
	Non-Cash Depreciation Addback		1,620	2,159
	Capital Movements - Land Acq		-	-
(Capital Movements - Others		-	-
ŀ	Allocated Dividend		-	(600,000)
1	nterest	3	-	38,522
L	_ess: Interest transferred to District Operations Reserve	3	-	(38,522)
L	_ess: Emission Trading Scheme Credits Adjustment (non-cash)			(1,308,450)
F	Reserve Closing Balance		3,601,031	2,692,677
٦	TOTAL RESERVE		3,601,031	2,692,677
F	Forestry Reserve		100,000	100,000
	Council Forestry Reserve		3,501,031	2,592,677
			3,601,031	2,692,677
			Actual 31/03/2017	Actual 30/6/2016
5 I	Land			
(Opening Balance		839,885	839,885
١	Value of Land		839,885	839,885

Financial Breakdown by Department For the period ended 31 March 2017

Forest Administration	Actual 31/03/2017	Year-End Forecast	Year-End Forecast (%)	Annual Budget 2016/2017
Income				
Gain on Emission Trading Units Held	-	-	100%	-
Emmission Trading Units Received	-	-	100%	-
Interest on Reserve	-	-	100%	-
	-	-	100%	-
Expenditure				
Consultants	46,949	70,568	67%	70,568
Fee - General	150	5,466	3%	5,466
Internal - Financial Services	10,034	13,378	75%	13,378
Internal - GIS	835	1,113	75%	1,113
Internal - Stationery	65	118	55%	118
Other Insurance	-	3,446	0%	3,446
Registration	31	32	97%	32
Vehicle Insurance	25	33	76%	33
	58,089	94,154	62%	94,154
Net Operating Surplus/(Deficit)	(58,089)	(94,154)	62%	(94,154)
Capital Movements				
Asst & Ser Forestry Reserve Transfer - To/(From)	-	(705,165)	0%	(705,165)
Forestry Reserve Transfer - To/(From)	-	11,011	0%	11,011
Forestry Dividend Allocated	-	600,000	0%	600,000
	·	(94,154)	0%	(94,154)
	(58,089)	-		

Financial Breakdown by Department For the period ended 31 March 2017

	31/03/2017	Year-End Forecast	Year-End Forecast (%)	Annual Budget 2016/2017
Income				
Sales External	1,629,463	2,006,845	81%	1,054,400
	1,629,463	2,006,845	81%	1,054,400
Expenditure				
Access Roading	30.975	-	100%	-
Consultants	11,103	16,959	65%	16,959
Depn - Other Plant	18	24	75%	24
Forest Grower Commodity Levy	3,849	19,770	19%	19,770
Harvest Commission	56,255	79,080	71%	79,080
Harvesting Costs	499,296	952,445	52%	-
Maintenance - General	6,845	23,265	29%	23,265
Material Damage Insurance	4,344	3,569	122%	3,569
Purchase of Seedlings	14,264	27,425	52%	27,425
Rates	447	385	116%	385
Silviculture - Release Spraying	16,706	14,943	112%	14,943
Fire Protection	405	398	102%	398
Silviculture - Pruning	-	-	100%	-
Tree Planting	16,302	30,342	54%	30,342
Internal Rates Expense	5,921	6,168	96%	6,168
Land Preparation	975	36,890	3%	36,890
	667,704	1,211,663	55%	259,218
Net Operating Surplus/(Deficit)	961,759	795,182	121%	795,182
Capital Movements				
Add Back Non Cash Depn	(18)	(24)	74%	(24)
Forestry Reserve Transfer - To/(From)	(18)	795,206	0%	795,206
	(18)	795,182	0%	795,182
	961,777	-		<u> </u>

8.1 Forestry Operations - Financial Report to 31 March 2017

Financial Breakdown by Department For the period ended 31 March 2017

Gowan Hills Forest	Actual 31/03/2017	Year-End Forecast (%)	Annual Budget 2016/2017	
Income				
Sales External	-	-	100%	-
		-	100%	-
Expenditure				
Consultants	7,304	6,162	119%	6,162
Fire Protection	720	546	132%	546
Maintenance - General	4,480	4,845	92%	4,845
Material Damage Insurance	1,437	843	170%	843
Rates	223	194	115%	194
Silviculture - Pruning	30,730	31,400	98%	31,400
Internal Rates Expense	3,259	3,414	95%	3,414
	48,153	47,404	102%	47,404
Net Operating Surplus/(Deficit)	(48,153)	(47,404)	102%	(47,404)
Capital Movements				
Forestry Reserve Transfer - To/(From)		(47,404)	0%	(47,404)
	-	(47,404)	0%	(47,404)
	(48,153)	-		-

Financial Breakdown by Department For the period ended 31 March 2017

	e period ended 51 march			
<u>Ohai Forest</u>	Actual	Year-End	Year-End	Annual Budget
	31/03/2017	Forecast	Forecast (%)	2016/2017
Income				
Sales External	-	383,377	0%	177,450
	-	383,377	0%	177,450
Expenditure				
Access Roading	-	74,792	0%	74,792
Consultants	20,578	41,745	49%	41,745
Fire Protection	1,235	876	141%	876
Forest Grower Commodity Levy	, -	3,803	0%	3,803
Harvest Commission	-	15,210	0%	15,210
Harvesting Costs	-	205,927	0%	-
Land Preparation	-	7,910	0%	7,910
Maintenance General	6,843	12,413	55%	12,413
Material Damage Insurance	3,879	1,242	312%	1,242
Purchase of Seedlings	-	8,377	0%	8,377
Rates	648	557	116%	557
Silviculture - Pruning	119,280	138,790	86%	138,790
Silviculture - Release Spraying	-	4,565	0%	4,565
Tree Planting	-	8,610	0%	8,610
Internal Rates Expense	8,850	8,897	99%	8,897
Depn - Improvement	994	1,325	75%	1,325
Depn - Other Plant	408	545	75%	545
	162,715	535,584	30%	329,657
Net Operating Surplus/(Deficit)	(162,715)	(152,207)	107%	(152,207)
Capital Movements				
Add Back Non Cash Depn	(1,402)	(1,870)	75%	(1,870)
Forestry Reserve Transfer - To/(From)	(1,152)	(150,337)	0%	(150,337)
	(1,402)	(152,207)	1%	(152,207)
	(161,313)			
	(101,515)	-		

<u>Waikaia Forest</u>	Actual 31/03/2017	Year-End Forecast	Year-End Forecast (%)	Annual Budget 2016/2017
Income				
Sales External	645,042	932,518	69%	430,000
	645,042	932,518	69%	430,000
Expenditure				
Access Roading	9,619	20,000	48%	20,000
Consultants	2,522	8,719	29%	8,719
Fire Protection	1,478	1,224	121%	1,224
Forest Grower Commodity Levy	1,709	8,063	21%	8,063
Harvest Commission	24,604	32,250	76%	32,250
Harvest Costs	363,614	502,518	72%	-
Land Preparation	-	15,050	0%	15,050
Maintenance - Equipment	1,213	-	100%	-
Maintenance - General	12,132	15,233	80%	15,233
Material Damage Insurance	6,331	7,725	82%	7,725
Purchase of Seedlings	150	-	100%	-
Rates	417	372	112%	372
Tree Planting	604	2,290	26%	2,290
Internal Rates Expense	6,518	7,012	93%	7,012
Depn - Other Plant	200	266	75%	266
	431,110	620,722	69%	118,204
Net Operating Surplus/(Deficit)	213,932	311,796	69%	311,796
Capital Movements				
Add Back Non Cash Depn	(200)	(266)	75%	(266)
Forestry Reserve Transfer - To/(From)	-	312,062	0%	312,062
	(200)	311,796	0%	311,796

Recommendation

That the Services and Assets Committee:

a) Receives the report titled "Forestry Operations - Financial Report to 31 March 2017" dated 13 June 2017.

Attachments

There are no attachments for this report.



Downer Water and Wastewater Maintenance Contract 10/01 - Monthly Report for April 2017

Record No:R/17/5/11529Author:Bill Witham, Operations Manager - Water and Waste ServicesApproved by:Ian Marshall, Group Manager Services and Assets

□ Decision □ Recommendation ⊠ Information	
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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. A representative of Water and Waste Services will be in attendance to speak to the report.

Summary

3 KPI scoring of 79%.

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 standards.

Compliance (Environmental)

5 There were no non-compliant tests reported.

Operations and Maintenance

6 Service request calls for the month were 90; higher than usual for this time of year.

Financial

7 There were no outstanding claims or variations to the contract. All claims and invoices for completed work were certified and accepted.

Customer Service

8 There were 90 service requests received with 85 inspected within response time, no odour complaints, 78 treated water related service requests, eight wastewater related service requests and four rural water supply related requests.

Health and Safety

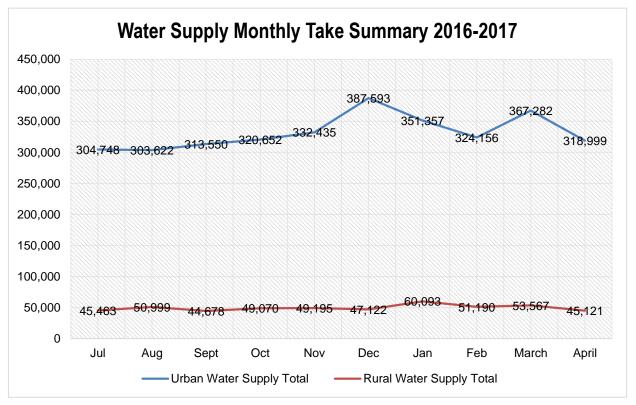
9 There were no incidents reported.

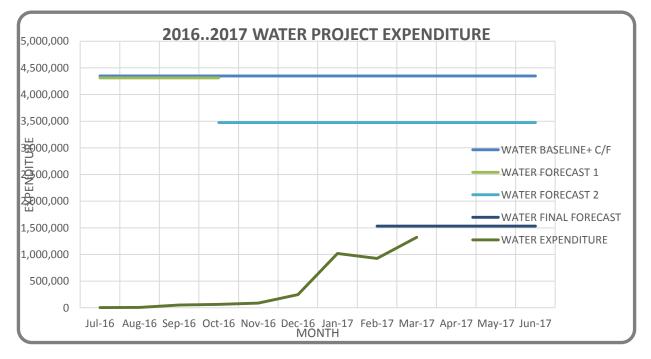
Quality Assurance

10 Zero Non Conformance/Opportunity for Improvement Reports were issued and no instances of rework or product failure during the month.

ltem 8.2

11 Water Consumption



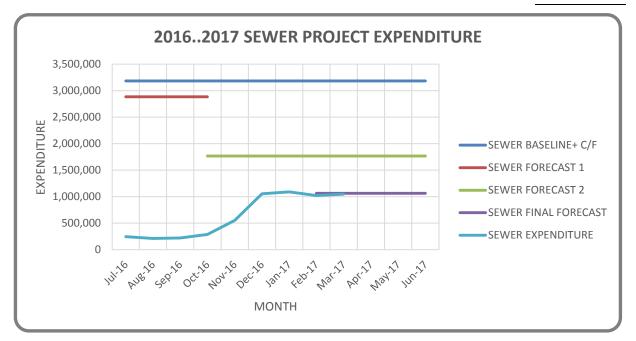


12 **Explanation of Differential - Water**

Rural water projects let but awaiting suitable weather window. \$318,000 Winton water main residual to be used for following staged work. \$400,000

Riverton water treatment plant residual enhancement costs.	\$527,011
Eastern Bush upgrade is a multi-year project.	\$76,503
Te Anau lateral replacements awaiting tender closing.	\$179,630
District monitoring.	\$150,100
Residual projects - various minor projects yet to be started or awaiting synergy of another project to commence.	\$56,531

\$1,707,775



13 Explanation of Differential - Sewer

8.2

	\$798,176
Residual projects - various minor projects yet to be started.	\$90,992
Adjustment for Te Anau treatment and disposal contract taken at different cost centre.	\$194,642
Stewart Island sewer treatment and disposal upgrade - awaiting subcontractor availability.	\$119,140
Riversdale sewer option.	\$44,986
Riverton Bay Street main replacement carried out in 2015/2016 year.	\$93,420
Otautau pump station upgrades not yet carried out due to subcontractor availability.	\$153,096
CCTV awaiting availability of limited resource in Southland.	\$101,900

Item 8.2

Recommendation

That the Services and Assets Committee:

a) Receives the report titled "Downer Water and Wastewater Maintenance Contract 10/01 - Monthly Report for April 2017" dated 13 June 2017.

Attachments

8.2

A Downer KPI Report - April 2017 J

Item 8.2 Attachment A

Downer

KPI - LEVELS OF SERVICE 2016-2017												
	1 Jul 16 - 30 Jun 17	Jul	Aug	Sep	Oct	Νον	Dec	Jan	Feb	Mar	Apr	Total YTD
1	Health & Safety Plan Compliance	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	
2	Feedback on near misses	0	0	0	0	0	0	0	0	0	0	0.0
3	Lost time H&S incidents	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4	4 % Compliance wastewater RC determinands		32/32	111/112	40/41	68/68	284/288	157/157	84/84	288/293	40/41	
5	% Samples in accordance with RC requirements	50/50	32/32	112/112	41/41	68/68	288/288	157/157	84/84	293/293	41/41	
6	No. Wastewater system failures	0	0	1	3	2	2	1	0	0	0	9
7	% RFS responded to within time - wastewater	5/5	3/3	9/9	15/15	14/14	11/11	13/13	11/11	4/4	7/8	
8	% Compliance with water take RC determinands	16/19	19/19	18/19	18/19	18/19	17/19	18/19	18/19	16/19	18/19	
9	% Water tests that meet NZDWS 2005 requirements	127/127	143/143	149/149	140/140	149/149	123/123	144/144	131/131	141/141	117/117	
10	No. complaints drinking water quality	1	0	2	0	2	0	0	1	0	0	6
11	No. complaints water quantity & pressure	2	2	4	1	7	14	10	14	12	6	72
12	% FH tests completed that meet SNZ PAS 4509:2003	5	0	14	0	93	0	0	0	0	0	112
13	No. non-notified shutdowns all urban systems	0	0	0	0	0	0	0	0	0	0	0
14	Percentage RFS Within Time - Water	51/53	48/53	53/57	28/38	52/62	57/59	81/82	91/93	98/107	78/82	
#4	Apr 2017 Non Compliance	Exceeded was	stewater RC de	eterminands:	Dissolved In	organic Nitrog	gen Concentr	ation, Little	River, Stewa	art Island		
#8	Apr 2017 Non Compliance	Exceeded wat	er take resour	ce consent d	eterminands:	Eastern Busl	h - Otahu Fla	t Water Sup	ply.			

r/17/5/11815

Downer

WASTEWATER RESOURCE CONSENT DETERMINAND COMPLIANCE 2016-2017													
WASTEWATER SCHEME	CONSENT TYPE	lul	Aug	Sep	Oct	Νον	Dec	Jan	Feb	Mar	Apr	May	Jun
Balfour Sewerage Scheme	Discharge Permit							34/34		32/33			
Browns Sewerage Scheme	Discharge Permit			30/30		31/31	33/33			31/31			
Eastern Bush/Otahu Flat RWS	Land Use Consent												
Gorge Road Sewerage Scheme	Discharge Permit								24/24	23/23			
Gorge Road Sewerage Scheme	Land Use Consent												
Lumsden Sewerage Scheme	Discharge Permit			5/5				4/4		5/5			
Manapouri Sewerage Scheme	Discharge Permit							26/26		24/24			
Matuku Water Supply	Discharge Permit												
Monowai Sewerage Scheme	Discharge Permit						3/5						
Nightcaps Sewerage Scheme	Discharge Permit						19/19						
Oban Sewerage Scheme	Coastal Permit	7/7			5/6			5/5			6/7		
Oban Sewerage Scheme	Discharge Permit												
Ohai Sewerage Scheme	Discharge Permit			21/21						19/21			
Ohai/Nightcaps/Wairio Water Supply	Discharge Permit						20/21						
Otautau Sewerage Scheme	Discharge Permit		32/32			37/37			33/33				
Otautau Sewerage Scheme	Land Use Consent										22/22		
Riversdale Sewerage Scheme	Discharge Permit			14/15			127/128			112/114			
Riverton Sewerage Scheme – Rocks	Coastal Permit			41/41			32/32	32/32					
Riverton Sewerage Scheme – Townside	Discharge Permit								2/2				
Riverton Water Supply – Backwash/Sludge	Discharge Permit												
Te Anau Sewerage Scheme	Discharge Permit						27/27	26/26		25/25			
Tokanui Sewerage Scheme	Discharge Permit				17/17			15/15		17/17			
Tuatapere Sewerage Scheme	Discharge Permit	16/17			17/17			15/15			12/12		
Winton Sewerage Scheme	Discharge Permit	26/26							26/26				
Wyndham Sewerage Scheme	Discharge Permit												
Wyndham Stormwater Scheme	Discharge Permit												
Total Tests Completed for Month		50	32	112	41	68	288	157	85	293	41		
Total No. Compliant Tests for Month		49	32	111	40	68	284	157	85	288	40		
% Compliance for Month		98%	100%	99%	98%	100%	99%	100%	100%	98%	98%		

r/17/5/11815



Roading Operations May 2017

Record No:	R/17/4/8728
Author:	Dylan Rabbidge, Commercial Lead Roading
Approved by:	Ian Marshall, Group Manager Services and Assets

□ Decision □ Recommendation ⊠ Information	
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Background

1 SouthRoads currently have the Waimea and Central Alliance maintenance contracts with Fulton Hogan having the Foveaux Alliance. The Tendering process has been completed and approved by Council with no change to any of the Alliances. These new contracts begin on 1 July 2017.

Purpose

2 The purpose of this report is to update the Committee on the progress of the major roading maintenance and capital contracts. A representative of Strategic Transport will be in attendance to speak to the report.

Summary

- 3 Customer Satisfaction; 100 Requests for Service (RFS), across the three Alliance contracts were received in May with three not completed on time. 2015/16 112 RFS' were received in May.
- 4 Health and Safety; 12 near missis were reported for May with no Lost Time Injuries reported. 12 Site Safety Audits were completed in May.
- 5 Activity Performance:
 - Metalling, 61,615 m³ or 84% is completed Year to Date.
 - Grading, 13,253 km have been graded Year to Date.
 - 2017/18 Pre-Reseal Repairs, 98 of 150 sites have been released for inspection. The length completed is 73.93 km of 155.37 km or 47.58%.
 - Stabilisations, 10,135 m^2 (100%) have been completed of a total programmed 10,135 $m^2.$
 - Edge Break, 16,187 m (57%) of a programmed 28,513 m.
- 6 Risk and Strategy:
 - Slips, Brydone Glencoe and Chaslands Highway have both completed an ILM (Investment Logic Mapping) which is the first step in developing a Business Case. Waiarikiki Mimihau Road, Temporary repairs holding well with approval for permanent repairs being worked on.
 - Roads, *Mandeville Kingston Crossing Road high crash site with Roy Clearwater* (Safety Engineer) investigating this site is to be monitored for a solution. The hedge has been removed from this site and additional signs are to be erected.
 - Coastal Route, "High Crash Rate" signage and 50 kph signs helping to reduce the number and severity of crashes. Road has been approved for seal extension.

Financial

There were no outstanding claims or variations to the contract. All claims and invoices for completed work were certified and accepted.

Capital Projects

- 8 The Alternative Coastal Route Seal Extension is progressing well with The Roading Company currently ahead of schedule. The Project Status Report is attached.
- 9 Strategic Roading have tendered for five bridge replacements, through applying for resource consent the Department of Conservation (DoC) are not prepared to grant "Affected Party" approval. DoC's concerns are around impeding of fish passage both during construction and the final installation of the box culverts. The financial implications on this year's programme are approx. \$800K which will be carried forward into the 2017/18 financial year. Currently we are applying for a "Fish Passage Permit" which can take up to six months to be awarded or not, this application goes to the Director General of Conservation. Strategic Roading are looking at alternative capital projects that will ensure SDC can utilise the NZTA budget.

Recommendation

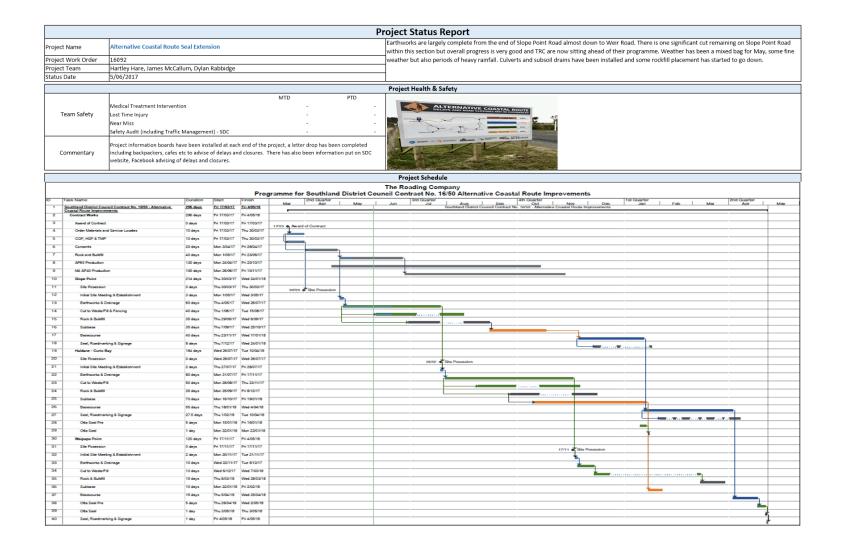
That the Services and Assets Committee:

a) Receives the report titled "Roading Operations May 2017" dated 13 June 2017.

Attachments

- A Project Status Report Alternative Coastal Route Seal Extension U
- B 13-01 Central Alliance May 2017 A3 J
- C 12-01 Waimea Alliance A3 monthly report April 2017 J
- D 06-26 Foveaux Alliance A3 report May 2017 J

7



Item 8.3 Attachment A

	Comments													
Schedule	On-Track	producing AP65 (Sub-Ba	rently the Earthworks and Drainage are well on track, production of the aggregates is behind with the first blast at Mairs Pit now complete crushing is to start here in the next two weeks (mid June) ducing AP65 (Sub-Base). The Roading Company will move their Crushing plant onsite to the Dumbletons Pit (Edendale) to beginning to produce AP40 (Base Course) in the near future. The delay is regates is not expected to have any major impact on the delivery of the project at this point in time.											
Quality	On-Track	See the QA Section Belo	2A Section Below											
Scope	On-Track	Currently no changes to	tly no changes to the Scope of the project.											
Budget	On-Track	Total	\$9.5M		Spent	\$662K	Remainin	g	\$8.9M					
Issues	Currently No Issues													
	1			Project	Finance									
				Total	Spent	Remaining				· · · · · ·				
	Project Cost		Design	406,000	358,223	47,777				Construction Cont	ract			
Bud	get \$9,261 Continge	ncy \$300	Safety Review	19,120	17,868	1,252		_		Budget, \$8,236			Continger	C 222
		•	Probity (Tendering)	20,612	20,612			-	-	Budget, \$8,236	_	-	Continge	ncy, \$300
Actual \$662			Construction	8,914,296	258,366	8,655,931	Actual \$258							
0 2000	4000 6000 8000	10000 12000	Advertising	1,429	1,429		0 1000							
	\$ (000)		MSQA	200,000	5,267	194,733				\$ (000)				
			Total	9,561,458	661,765	8,899,693								
				Project Quali	ty Assuran	ce								
 2) Fence reinstatements 3) Drone mapping/surver 4) Scala penetrometer te 5) Heritage NZ and Te Ao 6) Construction drawings 	 Project's resource consent has been completed and lodged to SDC planning Department, land owner consultation is complete (waiting for some forms to be sent back). Proce crimistatements have started and the work is very tidy, Power poles have been relocated on Slope Point and a drive over with PowerNet determining the next lot on the main route has also been completed. Drone mapping/survey of Slope Point Road is ongoing. Car park design for end of Slope Point and a drive over with PowerNet determining the next lot on the main route has also been completed. Drone mapping/survey of Slope Point Road is ongoing. Car park design for end of Slope Point Road is complete. Sload penetrometer testing of site has started - design target CBR of 3.5 minimum is achieved with the minimum so far being 6 and generally sitting up around 10-12+ Heritage NZ and Te & Marama Inc have been approached for written consent around areas of interest on Waipapa Point (related to SDC's consent application) Construction drawings for Slope Point Road have been completed from Stantec. Awaiting construction drawings for main route and the design for Waipapa. O contract meeting was held 18/05/2017 													
				Project	t Risks									
1) Monthey has been interest	d as a risk from the projects inception.			Risk Level Medium / High		Implication	and all second	Cost	Strategy					
 Weather, has been identifie Land ownership issues. 	o as a risk nom the projects inception.			Medium / High		Project completic Re-Design	on delayed	Zero \$20k		ljust programme as required. Itation and written agreement				
3) Resource Consent issues.				Low		Project completio	heveleh n	TBD		is from affected parties.				
4) Accidential finds (historic ar	tifacts)			Low		Project completio		TBD						
5) Unforeseen ground conditio	ins			Low/Medium		Project completio	on delayed	TBD (based off schedule of prices)	Contract Contin	igency				
6) NZTA Funding				Low		Additional Cost to	SDC	\$1.2M	Verbal approva	given for the additional funds	from NZTA, a "Cost	Scope Adjustmen	t" to be comple	eted.

Project Weather Project Photos Past weather Yesterday Last 30 days Historical data MAY JUN Peak wind gust: maximum 113km/h Temperature: highest & lowest 17°C / -3°C 12 13 14 17 15 17 16 14 12 12 13 15 14 11 11 10 10 8 8 6 0 6 6 4 4 Rainfall: total 54.4mm 0.2 1.8 0.2 0.0 0.0 2.6 3.2 0.0 0.0 0.0 2.8 0.4 0.8 1.2 0.0 0.0 0.0 9.4 9.8 4.8 8.6 0.4 0.8 0.0 0.0 2 1 0.2 2.2 2 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 1 2 3 4



Summary Report – May 2017

PERFORMANCE

		Number of Sign RFS's	Monthly	9
		Total number received since last report cycle (Excluding Signs)	Monthly	55
		# Not completed on time within the required timeframe	Monthly	0
SS	RFS	# Customers contacted (where possible excluding signs)	Monthly	55
EFFECTIVENES		# Non-performance related - where we provide customer support (e.g. farmers mess, incident response etc.)	Monthly	21
ĔFE		RFS Contract Management Resource (hours)	Monthly	10
ш		Road Trip	Monthly	April Road Trip Completed
	CONDITION RATING	Roadroid	Annual	TBC
		Roadroid	Monthly	Roadroid completed.
	PROGRAMME	3 month effective programme	Quarterly	On-going.

				Month	YTD	
		Medical Treatment Intervention - #	Monthly	0	0	
	TEAM SAFETY	Lost Time Injury - #	Monthly	0	0	
TURE	TESTING TETT	Near Miss/IOF/Incidents	Monthly	2	23	
CUL.		Safety Audits/Tours completed	Monthly	4	44	
~	TEAM HEALTH /	Satisfaction - 3 monthly measure	Quarterly	87% (March)		
PEOP	AMT	Team Harmony - 3 monthly measure	Quarterly	88% (I	March)	
ROAD USER		SDC survey, as completed	As Completed			
	SATISFACTION	# complaints (not normal RFS') vs. compliments	Monthly	0 Complaints 1 Compliments	1 Complaints 7 Compliments	

May's weather was a bit of a mixed bag. Most of the month was fine with cooler temperatures, however we did encounter a good snow fall and very heavy rain and hail showers during the month.

The additional drainage programme is well on track and we are very happy with the results. We are also getting positive feedback from locals in the areas. We made use of a heavy shower of rain and looked over the sites for any adjustments that maybe needed. We only identified two areas of concern which we addressed.

The crusher has finished crushing in our Hundred Line Pit. We have completed Running the Viner Road gravel and all but completed the Hundred line. This only leaves what we have programmed to come out of Clarks. We are tracking very well to come on target for the additional metalling programme to be completed.

We have also started a crew with mapped sites from our audit to go around pulling up gravel shoulders on the sealed network. We find the activity suits well in the Winter months as the material binds better with a slight moisture content.

We have completed our Annual network audit over the network and are pleased with what we are seeing out on the network. A couple of roads we added to the metalling programme came from this audit. We also identified all stock crossing locations for SDC and compliance. The full audit results will also contribute to help make our forward work programming for next season.

Pre Seal Repairs are going well. We are waiting on a decision weather Main Street, Otautau is staying on the list, as we were informed it could potentially could be up for a water mains renewal / shift to centre. We are also waiting on a decision on Avondale Road.

A big month expenditure wise primarily driven by the additional metalling and drainage programmes.

PROGRESS				
ltem	% Completed	Comments		
Non-Reseal Stab's	5,600m2 (100%)	5,900 m2 Marked out		
Metalling (28,134m ^a)	88%	24,773m ^a Completed Includes additional Budget		
Grading (400 km target)	100%	519MTD – 4,901km YTD		
Verge Spraying	100%	Completed		
Noxious Spraying	100%	Completed and monitoring.		
Bridge Repairs		Painted 74 (central area) bridges. Emergency repairs to be actioned as needed.		
Drainage Repairs		On-going. Unsealed road drainage programme advancing.		

1⁴¹ Reseal Target Release 75% Prior October 17/18 Pre Reseal Repairs 52 of the 71 sites (73%) are fully completed for inspection remaining repairs left are listed below 43.747 kms completed from Total 58.281kms

Activity	Programme Qty	Completed Qty	Remaining Qty
Depressions m ²	8,256m2	4,233 (51%)	4,023
Edge Breaks m	6,302m	5,345 (85%)	948
Dig Outs m ²	30m2	30 (100%)	0
Stabilisation m ²	4,996 m2	4,996(100%)	0
Verge Cleaning m	13,246m	13,296 (100%)	0

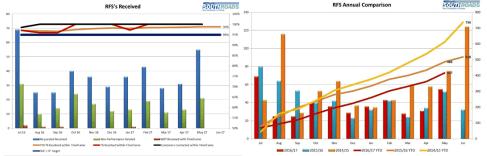
RISK & STRATEGY UPDATE

	Identified Risks	Update
s	Otapiri Gorge and Shand Roads Sealed Section	Very intensive logging having impact on road, .Overlay, Earth Works have commenced.
Roads	Bluebottle Road Slip Movement	Signs up and monitoring movement. This site has move again significantly. Roading Team are investigating.
Slips	Colac Bay Foreshore	Closed to further notice. With the SDC Roading Team.
gic	RAMM Data	During the new Alliances establishment phase we will review requirements and add this process as part of the Alliance Quality Plan.
Strategic	New Alliance Establishment	We will be working very closely with Roading and Community Engineering teams over the coming months, in putting together a plan to implement
	Risk Management Plan	over the coming months.

CUSTOMER SERVICE MANAGER REPORT

With the winter coming in. We are tending to receive more RFs for Debris from paddocks. We are also receiving calls for gravel as the roads look bearer in the Winter than in the summer. Some off the calls come in for wet gravel roads as there has been less drying with wet weather.

RFS'S Received SOUTHROADS



Item 8.3 Attachment B

MONTHLY AUDIT RESULTS	GOLD STAR INITIATIVES	ALT ACTIONS
The Annual Network Audits was completed in May. A report of the results will be presented to the ALT in due course.	 Ordered Concrete Bunkers for Riverton SDC yard for sump material to hold and drain prior to removing to waste fill area. Trailing Track Map. Concern A mapping system software that Ryal Bush Transport are sharing with the Central Alliance that shows us where lee Grit 	 Liaison with ES to determine parameters around river erosion impacting on SDC road asset at what stage do ES fund repairs or contribute. There are a number of Central sites that are at risk with significant financial implications.

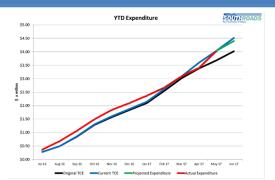
via their tablets (create a task live).

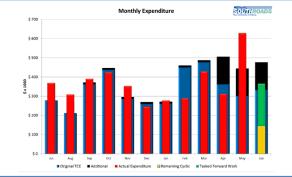
has been spread. It also give us the opportunity to load areas live into the system

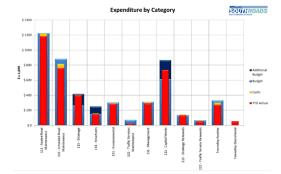
of any extra areas that may arise for the truck driver to address while out on site

 Discussions to continue in correct disposal of sump waste. Two test sites have been completed with results to be discussed and actions moving forward.
 This season we will test material out of the Suction sweeper truck to get a more holistic understanding of the contents with SDC sumps. An action plan will be developed and discussed based on the findings.

FINANCIAL GRAPHS

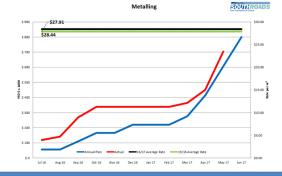


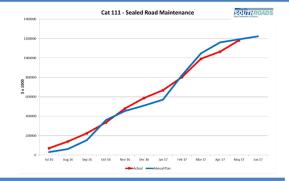




KEY PERFORMANCE INDICATOR GRAPHS







FINANCIAL SUMMARY

NZTA Subsidised Summary	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total	Remaining	%age Remaining
Original TCE	278,303	211,968	361,542	436,940	286,472	259,490	261,175	449,752	477,087	362,145	301,246	333,332	4,019,450		
Current TCE	278,303	211,968	371,542	446,940	296,472	269,490	271,175	459,752	487,087	505,478	444,579	476,665	4,519,450		
Actual Expenditure	369,160	309,012	391,152	424,223	353,284	246,392	277,341	289,312	428,231	312,095	628,580	0	4,028,781	490,669	11%

FINANCIAL COMMENTARY The claim for the month was \$679, 890. Year to date expenditure is \$4,359,246 (including township work). Budgets now include additional approved budgets for metalling and unsealed roads drainage maintenance.

Item 8.3 Attachment B

Waimea alliance

Summary Report April 2017

PERFORMANCE

		Number of Sign RFS's	Monthly	5
		Total number received since last report cycle (Excluding Signs)	Monthly	14
		# Not completed on time within the required timeframe	Monthly	0
SS	RFS	# Customers contacted (where possible excluding signs)	Monthly	14
EFFECTIVENE		# Non-performance related - where we provide customer support (e.g. farmers mess, incident response etc.)	Monthly	5
EFE		RFS Contract Management Resource (hours)	Monthly	6
1		Road Trip	Monthly	April Road Trip Completed.
	CONDITION RATING	Roadroid	Annual	TBC.
		Roadroid	Monthly	Roadroid Completed
	PROGRAMME	3 month effective programme	Quarterly	On-going

				Month	YTD
TURE		Medical Treatment Intervention - #	Monthly	0	0
	TEAM SAFETY	SAFETY Lost Time Injury - # Near Miss/IOF		0	0
	TEAM SAFETT			1	17
CULT		Safety Audits/Tours completed	Monthly	0	39
OPLE /	TEAM HEALTH /	Satisfaction - 3 monthly measure	Quarterly	86.	5%
PEOP	AMT	Team Harmony - 3 monthly measure	Quarterly	88.	75%
1	ROAD USER	SDC survey, as completed	As Completed		
	SATISFACTION	# complaints (not normal RFS') vs. compliments	Monthly	0 Complaints 0 Compliments	0 Complaints 2 Compliments

The weather this month was a little more challenging as winter slowly rolls in the leaves slowly start to drop. The leaf drop is certainly a part of the township cyclic operation which can get on top of you if you let it. One day you can sweep up the streets and later in the day or the next day your past it is back to square one. We just tell the men just do the best you can until the leaves stop falling and the suction sweeper gets into the towns after Autumn.

The suction sweeper was in the Te Anau Township this month and just emptied the sumps in the town centre that would not have lasted until the annual sump sucking which occurs in July/August.

The drainage crew has moved into the Dunrobin area to continue with water tabling and culvert cleaning and any culvert replacements as required. The secondary crew has been working in the Waikaia Ward and has made its way into the Balfour area. These areas have been followed up by the water blaster so we do not lose the good work we have done.

The bridge maintenance program is all but completed. Only emergency bridge repairs will be completed from now until the summer rolls around again and general painting can be started again.

Maintenance Metalling continued with 2,758m³ being applied to the bottom end of Centre Hill Road and Mavora Lakes Road. A very long cart so the trucks were only applying 200-300 ton per day.

SouthRoads has completed a Claycrete trial late in March which is a dust suppressant and stabilising agent that has the potential to last up to 20 years if the conditions allow. Just prior to Easter we got our first lot of rain since the trial and it was fair to say the water got into the pavement and has caused us some issues. We are currently just waiting for the weather to clear up a little so we can get some drainage done to get the water out of the pavement.

Signs continued to be installed, repaired and replaced throughout the network with a big push on painting of posts while the weather allows.

PROGRESS

ltem	% Completed	Comments
Non-Reseal Stabs	100%	Completed for the
		season
Maintenance Metaling	2,758 m ³	22,543 m ³ YTD
(29,400m ³)		Add 8,000 m ³ from
		17/18 sites
Grading	284 km (MTD)	2 graders
(400km target)	4,226 km (YTD)	
Verge Spraying	85%	Finishing last round of
		sealed roads.
Noxious Spraying	100%	
Bridge Repairs		24 bridges painted.
Drainage Repairs		2 Full Drainage Crews
		operating

17/18 Pre Reseal Repairs - 30 of the 30sites (100%) are marked up and ready for work to begin. 21 of the 30 (70%) site have been released for inspection. This equates to 13.61 Km out of a possible 32.6km released.

Activity	Prog Qty	Comp Qty	Remaining Qty
Depressions (m ²)	2,200	1,463 (66%)	737 (34%)
Edge Breaks (m)	9,122	4,166 (46%)	4,956 (54%)
Dig Outs (m ²)	0	0	0
Stabilising (m ²)	3,114	3,114 (100%)	0 (0%)
WCC (m)	0	0	0

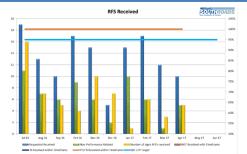
RISK & STRATEGY UPDATES

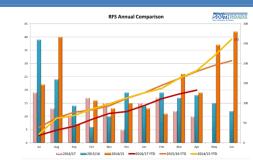
	Identified Risks	Update
	Hillas Road	Stabilisation holding up well.
Roads	Mandeville Kingston Crossing Road	Steve and Roy have meet on site. Currently with Roy to come back with a solution.
Ro	Ramparts Road	Passed onto the SDC Roading to look into interventions.
	Lilburn Valley Road	SR have a price to Otta seal a partial section of the road. This was resented the ALT at the last meeting.
Slips	Devery Road	Levelling completed and has been resealed.
SII	Ohai Clifden Hwy	Levelling in March. Passed onto MWH to look at long term solutions.
	RAMM Data	This will be a focus over the coming six months as we review
Strategic		and develop our Quality Management Plan.
	Review of road Classification (One Network Roading Classification)	This will be fully implemented as part of the new Alliances. We have
	Risk Management Plan	started to analyse fault data by ONRC Categories. Risk Management Plan will be a priority under the new Alliances.

CUSTOMER SERVICE MANAGER REPORT

We received 14 RFS's for the month of April. With five of these RFS's being non-performance related, with a bridge railing which appears to have been damaged by a vehicle and a toilet with an overflow. Majority of RFS's this month were for gravel road potholes and corrugations due to the time of the year, generally all in front of the grader in its cycles or high demand usage before the grader can get to them on their cyclic runs. We also had a small slip onto the road which was tidied up the next morning.

RFS GRAPHS





MONTHLY AUDIT RESULTS –



GOLD STAR INITIATIVES.

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ALT ACTIONS

FINANCIAL SUMMARY

Jul 16 Aug 16 Sep 16 Oct 16 Nov 16 Dec 16 Jan 17 Feb 17 Mar 17 Apr 17 May 17 Jun 17

NZTA Subsidised Works Summary	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	Мау	Jun	Total	Remaining	%age Remaini ng	FINANCIAL COMMENTARY
Original TCE Current TCE	321,215 321,215	323,023 323,023	436,103 436,103	363,653 363,653	275,722 275,722	256,030 256,030	221,325 221,325	252,719 252,719	223,336 223,336	310,005 443,338	316,345 449,678	379,520 512,853	3,678,997 4,078,997			also included an extra drainage crew, roadside spraying and Mainte
Actual Expenditure	307,761	254,377	417,548	231,890	242,305	229,965	478,538	318,856	429,287	280,882	•		3,191,408	887,589	22%	Metaling activities. The total cost estimate now includes the addition drainage and metaling budget.

Actual

Aug 16

Sep 16 Oct 16 Nov 16 Dec 16 Jan 17 Feb 17 Mar 17 Apr 17

May 17

C



Summary Report – May 2017

PERFORMANCE

		Number of Sign RFS's	monthly	3	
		Total number received since last report cycle (Excluding Signs)	monthly	19	
		# Not completed on time within the required timeframe	monthly	2	
ES	RFS	# Customers contacted (where possible)	monthly	22	
EFFECTIVENESS		# Non-performance related - where we provide customer support (e.g. farmers mess, incident response etc.)		2	
		RFS Contract Management Resource (hours)	monthly	13	
	CONDITION	RCAMS	6 monthly	Currently happening (May/June)	
	RATING	HSD	Annual	Hartley to circulate	
PROGRAMME		Activity Calendar	Quarterly	All on track	

				MTD	YTD
		Medical Treatment Intervention - #	monthly	0	2
		Lost Time Injury - #	monthly	0	0
l ш	TEAM SAFETY	Near Miss/OFI - #	monthly	0	8
CULTURE		Site Safety Audits	ty Audits As April		
-	TEAM HEALTH /	Satisfaction - 3 monthly measure	Quarterly	96%	
PEOPLE	AMT	Team Harmony - 3 monthly measure	Quarterly	98%	
PE(ROAD USER	SDC survey, as completed	As completed	0	0
	SATISFACTION	# complaints (not normal RFS') vs. compliments	Monthly	0 Complaints	0 Complaints
		complimenta		0 Compliments	4 Compliments

May was a steady month with the addition of 3 Unsealed AWPT's completed and one more planned for early June - early indications are that Cotters materials will perform well in this application. Good progress on pre-reseal repairs, the 49% not released only have minor works with the edge break crew making good progress. Some Asphalt levelling work that wasn't complete in May and a few high shoulders to remove will see the rest completed.

Several factors conspired against us in May which lead to an \$80K under spend from planned, the Asphalt levelling mentioned above, some late invoices from suppliers that didn't make the cut off and some efficiency gains by the edge break crew - the work they are doing is 30% cheaper than last year leading to \$10K saving (largely due to improved plant for the job, but still a considerable acknowledgment to the 3 man (2 men 1 woman) team who are pushing hard to get the work done.

It is now unlikely we will spend the remaining \$480K required to meet 100% of the full year's budget (including the extra \$200K approved), however the extra 17/18 - Pre Reseal Repairs: money asked for under Cat 111 (sealed road MTC) has been fully spent.

Good progress has been made on next year's Budgets with extra money being put into Drainage and less of Maintenance Gravel.

The last sign inspection for the month has seen a huge spike in vandalised signs, with around 50 signs needing to be replaced due to bullet holes. This is a shame because this is the type of vandalism which could be prevented.

PROGRESS							
ltem	Completed	Comments					
Non-Reseal Stabi's	2790 m2 YTD	All complete for the year					
Metalling	2,564m3 Mth 15,538m3 YTD	All bulk programs now complete – 5 – 600m3 for spot metalling in June					
Grading	308 km Mth 3,562 kmYTD	All on program					
Verge Spraying	100% Complete	Complete for 2016/2017					
Noxious Spraying	76 km Mth 1146 km YTD	504km to finish round, extra resource being engaged.					
Bridge Repairs	3 YTD	1 minor repair approved – 1 repair required – awaiting design					
Drainage Repairs		Watertable cleaning will be reported going forward					

FOVEAUX

ALLIANCE

Activity	Original Prog Qty	Comp Qty	Remaining Qty			
Depressions (Levelling) m ²	669.8m2	16	654m2			
Edge Breaks/low shoulder m	13083.50m	6676 m	4705m			
Clear watertables m	2211m	984	2211m (additional sites added, only 3 sites)			
Stabilisation m ²	1480.9m2	2055m2	Complete for season pending post winter inspection.			
Hi Lipping m	16067m	929m	14098m, only 3 sites			
17/18 site	25/49	51%	16.565km/64.493 km			
RAMM Lindate						

RAMM data is all updated up to Jan 2017.

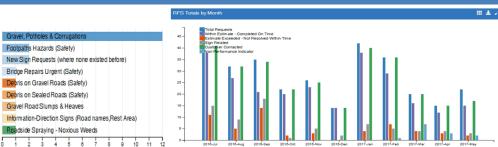
RISK & STRATEGY UPDATES

	_	Identified Risks	Update
Roads		Coastal Route	¹ High crash rate' signage & 50kph signs over tourist period are helping to reduce the number & severity of crashes – road now approved for seal extension. New signs installed in August which were dug deeper into ground to stop the continual falling due to wind, and increased height above ground to help with visibility.
Ľ		Waimahaka Fortification Road	Previous FWD testing indicates high risk for first 4km. Most of this was resealed 13/14 season & is holding up well – ongoing monitoring.
		Waikawa Curio Bay Rd	Waikawa & Sea walls - potential risk identified - monitor
Sline	2	Brydone Glencoe slip	Traffic restricted to 1 lane. Project sits with Roading. Dave B has organized 10 x bollards to be placed over the lanes to ensure it is well marked. Speeding is a problem here, despite 30kph restriction.
		Waiarakiki Mimihau Rd	Still awaiting approval for permanent repair of slip site. Temp repairs holding reasonably well. Note significant increase in heavy traffic in the area due to logging x Tinker Road).
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Strategic			1
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SUPERVISIOR – CUSTOMER RELATIONS

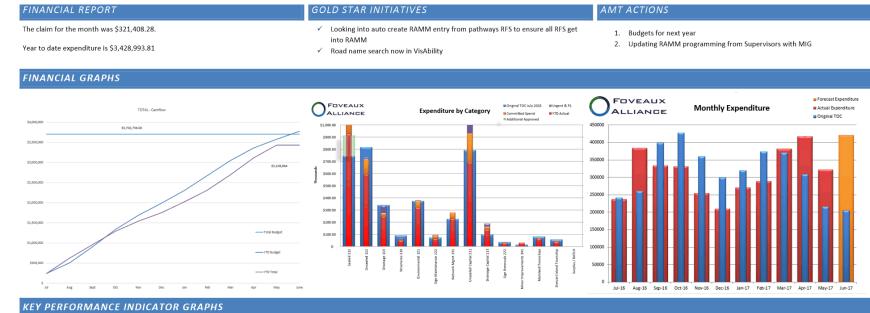
RFS wise it was a quieter month however we still see a steady amount of calls coming in around grading. As soon as the Customer team at the Council are confident with 'Visability' this will see the callers getting the information they need straight away around when their road is due for a grade. Lately it has been hard to get hold of people who call in once I have the information, but I do try to leave a message, as always however the people I have managed to speak to are more than happy with the information provided.

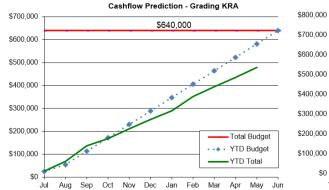
RFS GRAPHS



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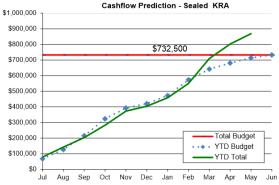
Item 8.3 Attachment







Cashflow Prediction - Metalling KRA





Services and Assets Contracts Update

Record No:	R/17/6/12625
Author:	Trudy Saunders, Contracts Adminstrator
Approved by:	Ian Marshall, Group Manager Services and Assets

□ Decision □ Recommendation ⊠ Information

Background

- 1 The Services and Assets Contract Management tracks Roading, Water and Waste and Property Divisions operations and capex contracts. This report just lists the status of the Community Services contracts.
- 2 The Water and Waste and Roading opex and capex contracts are reported through their respective operations reports.

Purpose

3 The purpose of this report is to update the Committee on the progress of status of all Contracts within Services and Assets.

Summary

4 **Property:** As of 1 May 2017 the following Property related contracts are in progress:

Department	Current	Due soon	Work In Progress	Overdue	Total
Property	21		2		23
Community Engineers	25	6	2	8	41
	46	6	4	8	64

Overview

- 5 Property Department contracts cover hall custodians and cleaning of buildings owned by SDC, such as offices and libraries.
- 6 Community Engineers contracts cover township Maintenance, mowing, gardening and cleaning of public toilets.
- 7 Some cleaning of toilets and mowing areas are covered within the Roading Alliance Contracts.

Analysis

8 The eight contracts that are overdue are currently with Community Engineers to discuss scope and price with the contractors. Three new contracts were drafted in April after the discovery that the contractors did not have the appropriate paperwork in place during an audit of payroll contractors.

- 9 Of the four that are Work In Progress:
 - Two are with the Contract Administrator to find out further information.
 - One is with the Community Engineer to review the supplier.
 - One is with the Community Engineer to obtain the signed contract.
 - One is with the Property Officer and currently being advertised for the Custodian position.

Risk and Strategy:

10 Three of our cleaning or beautification contractors are not currently on our Health and Safety Approved Contractors List. This has been highlighted to the Community Engineer who is working with the contractors to provide the appropriate paperwork.

Financial

11 It is difficult to get an accurate summary of costs of all Property related contracts due to the majority of these being maintenance contracts and paid out per clean or mow.

Recommendation

That the Services and Assets Committee:

a) Receives the report titled "Services and Assets Contracts Update" dated 13 June 2017.

Attachments

There are no attachments for this report.



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

Recommendation

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

C9.1 Southland District Council Resurfacing Programme

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
Southland District Council Resurfacing Programme	s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities. 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.