
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, 9 August 2017 at 9am.

PRESENT

| | |
|--------------------|-----------------|
| Chairperson | Brian Dillon |
| | Mayor Gary Tong |
| Councillors | Stuart Baird |
| | John Douglas |
| | Paul Duffy |
| | Darren Frazer |
| | George Harpur |
| | Julie Keast |
| | Ebel Kremer |
| | Neil Paterson |

IN ATTENDANCE

Chief Executive - Steve Ruru
Group Manager, Services and Assets - Ian Marshall
Group Manager, Community and Futures - Rex Capil
Communications Manager - Louise Pagan
Governance and Democracy Manager - Clare Sullivan
Committee Advisor - Kirsten Hicks

1 Apologies

Apologies for absence were received from Councillors Ford, McPherson and Perham.

Resolution

Moved Cr Baird, seconded Cr Paterson **and resolved:**

That the Services and Assets Committee accepts the apologies.

2 Leave of absence

There was no leave of absence requested.

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

Resolution

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

That the Services and Assets Committee confirms the minutes of the meeting held on 21 June 2017.

Reports for Resolution

7.1 District Wide LED Streetlight Replacement

Record No: R/17/7/16806

Roading Asset Management Engineer Hartley Hare, Commercial Lead Roding Dylan Rabbidge and Group Manager, Services and Assets Ian Marshall were in attendance for this item.

Officers advised that the purpose of this report was to outline the proposed procurement and installation of LED street lighting units across the Southland District Council street lighting network.

The Meeting noted that the upgrade is required to replace outdated street lighting units to modern LED lights with significantly improved efficiencies and safety.

Endorsement is sought from the Services and Assets Committee for procurement and award of a contract to suitably qualified suppliers.

Resolution

Moved Cr Kremer, seconded Cr Keast **and resolved:**

That the Services and Assets Committee:

- a) **Receives the report titled “District Wide LED Streetlight Replacement” dated 2 August 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) **Resolve that upgrade programme for LED be accelerated to maximise NZTA funding assistance for this activity (85%).**
- e) **Resolve that a tender be put to market for the instillation of the LED lights.**
- f) **Endorse that the outstanding quantity of light units be purchased from Council’s previously approved suppliers.**
- g) **Approve delegated authority to the Chief Executive Officer or Group Manager Services and Assets, to award contracts based on the estimated project value of \$1M, subject to satisfactory tenders being received that provide value to the Southland District Council.**

7.2 Professional Services Contract for Transport Core Service

Record No: R/17/7/16980

Roading Asset Management Engineer Hartley Hare and Group Manager, Services and Assets Ian Marshall were in attendance for this item.

Officers advised that the purpose of this report was to advise the outcome of the procurement of the Southland District Council Transport Professional Services – Core Services tender contract 17/04.

The Committee was informed that the current contract with Santec (previously MWH Global) for the provision of Professional Services for Roding, Contract 12/03 expires on 30 September 2017.

The outcome of the evaluation is that Opus is the highest ranked tenderer and the Evaluation Team recommends Contract No.17/04, Opus International Consultants.

Resolution

Moved Cr Douglas, seconded Cr Harpur **and resolved:**

That the Services and Assets Committee

- a) **Receives the report titled “Professional Services Contract for Transport Core Service” dated 2 August 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) **Notes the outcome of the tender evaluation and endorses the awarding of Contract 17/04 for Professional Services for Transport Core Services to Opus.**

7.3 Lumsden Railway Precinct Upgrade

Record No: R/17/8/17783

Community Partnership Leader Kelly Tagg was in attendance for this item.

The Meeting was advised the purpose of this report was to request a recommendation to Council for unbudgeted expenditure relating to two upcoming projects in Lumsden.

The Lumsden CDA wish to better manage the visitor experience at the Lumsden Railway Precinct. This would be achieved by enlarging, sealing/resealing the carpark, installing kerb and channel, and providing better rubbish disposal facilities. Landscaping and screening would also be required.

The Committee were informed that Council approved a toilet block upgrade in the 2015 – 2025 LTP, at a cost of \$220,000. This work is due to be carried out in the 2018 – 19 year. Due to increased demand it is considered appropriate to bring this project forward to 2017 – 18 financial year, in conjunction with the Railway Precinct upgrade.

Both projects are considered to meet the criteria for funding in round one of MBIE's Tourism Infrastructure Fund which opened on 3 August and closes 4 September.

Resolution

Moved Mayor Tong, seconded Cr Douglas **and resolved:**

That the Services and Assets Committee:

- a) **Receives the report titled “Lumsden Railway Precinct Upgrade ” dated 8 August 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) **Recommends to Council that unbudgeted expenditure be approved for the “Lumsden Toilet Facilities Upgrade” project at an estimated total cost of \$149,226 to be brought forward from the 2018-19 financial year to the 2017-18 year. The remaining 47% (\$131,226) to be funded by applying to the MBIE Tourism Infrastructure Fund.**
- e) **Recommends to Council that the unbudgeted expenditure for the Lumsden toilet upgrade be approved subject to the application to the Tourism Infrastructure Fund being successful.**
- f) **Recommends to Council that the unbudgeted expenditure for the Lumsden Visitor Management Upgrade project at an estimated cost of \$74,395 be approved subject to the Lumsden CDA Subcommittee resolving to fund this amount in total from their local funds and reserves at their meeting scheduled for 14 August 2017. The remaining 50% (\$74,395) to be funded by applying to the MBIE Tourism Infrastructure Fund.**
- g) **Recommends to Council that the unbudgeted expenditure of \$74,395 for the Lumsden Visitor Management Upgrade be approved subject to the application to the Tourism Infrastructure Fund being successful.**

Councillor Baird voted against this resolution.

Reports for Recommendation

8.1 Contract 17/5 Mackinnon Loop Watermain Renewal

Record No: R/17/7/16088

Operations/Project Manager, Water and Waste Matthew Keil and Group Manager, Services and Assets Ian Marshall were in attendance for this item.

Officers advised purpose of this report is to recommend the award of contract and commence the programmed watermain renewal in Mackinnon Loop, Te Anau.

The Meeting noted the tenders received, the evaluation carried out and recommendations for letting the contracts.

Resolution

Moved Cr Kremer, seconded Cr Paterson **and resolved:**

That the Services and Assets Committee:

- a) **Receives the report titled “Contract 17/5 Mackinnon Loop Watermain Renewal” dated 30 July 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 Mackinnon Loop Watermain Renewal project to proceed for a total district funded cost of \$373,581.54.**
- e) **Approves the award of contract to Te Anau Earthworks Ltd for the sum of \$328,581.54 including the total contingency amount of \$25,000.00.**

8.2 Southland District Council Resurfacing Tender Award

Record No: R/17/7/17428

Roading Asset Management Engineer Hartley Hare and Group Manager, Services and Assets Ian Marshall were in attendance for this item.

Officers advised that the purpose of this report was to outline the tenders received for the 2017-2020 Southland District Council Resurfacing Programme and to seek approval from the Services and Assets Committee to award Contract 17/32 (Eastern Area) and Contract 17/33 (Western Area) to the recommended tenderers.

The Meeting noted the tenders received, the evaluation carried out and recommendations for letting the contracts.

Resolution

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

That the Services and Assets Committee:

- a) **Receives the report titled “Southland District Council Resurfacing Tender Award” dated 4 August 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) **Accept the Downer tender price of \$7,378,924.40 plus GST for Contract 17/32 Eastern Area Resurfacing.**
- e) **Accept the Downer tender price of \$7,720,175.40 plus GST for Contract 17/33 Western Area Resurfacing.**

Reports

9.1 IFS Growth Forest Manager's Report of Forestry Activity for the period to 30 June 2017

Record No: R/17/7/16864

Forestry Manager Reece McKenzie and Group Manager, Services and Assets Ian Marshall were in attendance for this item.

Mr McKenzie presented Forestry Reports for the end of month for May and June 2017.

The Committee noted the full year performance for the forestry business has been exceptional, with all budget targets easily exceeded. In part this is due to strong log prices but also increased yields (up 18%) in the Dipton Forest.

Resolution

Moved Cr Keast, seconded Cr Harpur **and resolved:**

That the Services and Assets Committee:

- a) **Receives the report titled "IFS Growth Forest Manager's Report of Forestry Activity for the period to 30 June 2017" dated 2 August 2017.**

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

Record No: R/17/7/15470

Operations/Project Manager, Water and Waste Matthew Keil and Group Manager, Services and Assets Ian Marshall were in attendance for this item.

Officers informed the Meeting that the purpose of the report was to update the Committee on the progress of the contract 10/01 for delivery of water and wastewater services to Council for the Southland District.

Resolution

Moved Cr Harpur, seconded Cr Baird **and resolved:**

That the Services and Assets Committee:

- a) **Receives the report titled "Downer Water and Wastewater Maintenance Contract 10/01 - Monthly Report for June 2017" dated 30 July 2017.**

9.3 Roothing Operations June 2017

Record No: R/17/7/15541

Resolution

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

That the Services and Assets Committee:

- a) Receives the report titled “Roothing Operations June 2017” dated 7 August 2017.**

9.4 NZTA Three Year Programme Performance

Record No: R/17/7/16188

Commercial Lead Roothing Dylan Rabbidge and Group Manager, Services and Assets Ian Marshall were in attendance for this item.

The Meeting was advised that the purpose of this report was to update the progress of SDC against NLTP, and provide details of major risks to completing the proposed 2017/18 roading programme.

Resolution

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

That the Services and Assets Committee:

- a) Receives the report titled “NZTA Three Year Programme Performance” dated 31 July 2017.**
- b) Notes that the 2017/18 budget forecast approvals required will be reflected in the Financial Reforecast to be presented in November 2017.**

9.5 Services and Assets Contracts Update

Record No: R/17/7/16570

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

The Committee were advised on the progress of status of all contracts within Services and Assets except where the Water and Waste and Roothing opex and capex contracts are reported through their respective operations reports.

Resolution

Moved Cr Paterson, seconded Cr Keast **and resolved:**

That the Services and Assets Committee:

- a) Receives the report titled “Services and Assets Contracts Update” dated 26 July 2017.**

9.6 Work Schemes Survey

Record No: R/17/7/16576

Planning and Reporting Analyst Shannon Oliver and Works Scheme Supervisor Chris Klein was in attendance for this item.

The Meeting was advised that the Work Scheme and Maintenance Service Client Satisfaction Survey was undertaken in May 2017.

Resolution

Moved Mayor Tong, seconded Cr Keast **and resolved:**

That the Services and Assets Committee:

- a) **Receives the report titled “Work Schemes Survey” dated 30 July 2017.**
- b) **Notes that the satisfaction survey shows for the measure:**
 - **Satisfaction; 100% of clients were either Very Satisfied or Satisfied in terms of the work completed according to specifications.**
 - **Costs; 13 out of 14 respondents either Strongly Agreed or Agreed the costs were fair and reasonable**
 - **Work undertaken; 9 of 14 respondents rated the work undertaken made it possible for small communities to complete projects where they would otherwise not be able to due to costs or lack of resources. The other 5 said it was Not Applicable.**

The meeting concluded at 10.50am.

CONFIRMED AS A TRUE AND CORRECT
RECORD AT A MEETING OF THE SERVICES
AND ASSETS COMMITTEE HELD ON 9
AUGUST 2017.

DATE:.....

CHAIRPERSON:.....