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

Date:	**Wednesday, 27 September 2017**
Time:	**8.30am**
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

Group Manager Services and Assets	Ian Marshall
Committee Advisor	Fiona Dunlop

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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);
- 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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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 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, 09 August 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, 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 Roading 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 Roading, 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 u[grade.

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 Roading 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 "Roading Operations June 2017" dated 7 August 2017.

9.4 NZTA Three Year Programme Performance

Record No: R/17/7/16188

Commercial Lead Roading 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 Roading 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:.....

Southland District Council Pavement Marking Tender Award

Record No: R/17/9/21650
Author: Hartley Hare, Strategic Manager Transport
Approved by: Ian Marshall, Group Manager Services and Assets

☒ Decision ☐ Recommendation ☐ Information

Purpose

1 This report outlines the tenders received for the 2017-2020 Southland District Council Pavement Marking Services and seeks approval from the Services and Assets Committee to award Contract 17/30 (Eastern Area) and Contract 17/31 (Western Area) to the recommended tenderers.

Executive Summary

2 This report covers the tendering outcome for the pavement marking of urban and rural roads across the Southland District Council network.

3 Each contract is for a period of 3 years with a possible further 2 years (1+1) extension subject to satisfactory completion and performance of the first 3 years of work. The extent of marking to be done each year will be confirmed by Southland District Council by 30 September each year but it is anticipated that all markings will be re-marked in year 1 and 3 and approximately 50% will be remarked in year 2.

Recommendation

That the Services and Assets Committee:

a) Receives the report titled "Southland District Council Pavement Marking Tender Award" dated 20 September 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 $972,427.84 plus GST for Contract 17/30 Eastern Area Pavement Marking.

e) Accept the Downer tender price $1,108,314.14 plus GST for Contract 17/31 Western Area Pavement Marking.

Content

Background

4 This report covers the tendering for the pavement marking activity of urban and rural roads in the Southland District Council's roading network for the next three years based on the NZTA P/22 method based specification.

5 The work involved in the contracts includes; remarking of existing pavement markings, reinstatement of raised pavement markers (RRPM's), upgrading and installation of new pavement markings where instructed by SDC.

6 The two contracts were advertised on Local Government Online and in the Tenders Gazette. Tenders were received from three companies by the closing date of 30 August 2017.

7 The tenders were set up to be let on a Price Quality Method basis, with the total non-price weighting of 30% being on relevant experience, track record, resources, relevant skills and methodology.

8 These attributes therefore had to be evaluated prior to opening the price envelopes. To do this the Tender Evaluation Team studied the tenders and met to discuss and agree scores on 1 September 2017.

9 This team was made up of Hartley Hare, Dylan Rabbidge, Stephen Arthur and Diana Evans of Stantec. As a result of their deliberations, which reviewed the Tenderer's information provided against that requested, the following scores were awarded:

Tenderer	Relevant Experience	Track Record	Resources	Relevant Skills	Methodology
Downer	90	90	90	85	85
Fulton Hogan	85	70	60	70	70
SprayMarks	85	90	85	60	75

10 All Contractors have similar relevant experience and track records, hence similar scores, with Fulton Hogan scoring slightly lower on track record due to poorer feedback from the nominated references.

11 For the resources, the evaluation team determined that the ability of Downer and Spraymarks to resource up when needed was more likely than Fulton Hogan. Based on the information provided both Downer and Spraymarks have more resources and plant available than Fulton Hogan.

12 For the relevant skills components, the evaluation team determined that the Downer tender exhibited a team with superior skills than both Fulton Hogan and Spraymarks. In comparison, the team proposed by Fulton Hogan, have a practical experience average of four years, compared to Downer, who have a practical experience average of 13.95 years.

13 In the methodology component, Downer were overall just ahead of Fulton Hogan and Spraymarks due to their compliance with the SDC requirements.

14 The tender prices received were as follows (excluding GST):

Tenderer	Contract 17/30 - Eastern Area	Contract 17/31 - Western Area
Downer	$972,427.84	$1,108,314.14
Fulton Hogan	$1,051,207.40	$1,428,360.00
SprayMarks	$1,608,761.93	$2,018,500.00
Stantec Estimate	**$1,130,037.00**	**$1,545,250.00**

15 The Engineer's estimate is based on the current pavement marking contract rates escalated to 2017 dollars. The estimate is 20% above the lowest tendered price for the Western Area, but only 1% above the lowest tendered price for the Eastern Area. The overestimation of rates may be due to the competitive prices and rates that Downer have submitted. It may also be attributed to Downer as the incumbent for this area now having a much better understanding of the real costs involved in running a pavement marking contract on the Southland network.

16 Fulton Hogan supplied an alternative methodology based on them being awarded both the Eastern and Western area pavement marking contracts. The price envelope for this alternative tender was not opened, as the methodology was non-conforming.

17 With the Price Quality Method evaluation the non-priced scores were used to evaluate the Supplier Quality Premium. These premiums were then deducted from the tender prices to determine who had the lowest overall tender price and therefore becomes the recommended Tenderer. For the purposes of tender evaluation the Contingency Sum and any Provisional Sums included in the tender schedule are excluded from the estimate but left in the Tenderer's prices for the calculation. In each of these tenders the total Contingency sum was $50,000 and the Provisional Sums allowing for upgrading of the network and cost fluctuations were $50,000, giving a combined total of $100,000.

18 The evaluation produces the following (all scores reduced by their weighting):

Contract 17/30 - Eastern Area

Attribute (Weighting)	Downer	Fulton Hogan	Spray Markers
Relevant Experience (5%)	90	85	85
Track Record (5%)	90	70	90
Resources (5%)	90	60	85
Relevant Skills (5%)	85	70	60
Methodology (10%)	85	70	75
Sum of Non-priced Attributes (30%)	26.3	21.3	23.5
Tender Price	$972,427.84	$1,051,207.40	$1,608,761.93
Supplier Quality Premium ($)	$ 73,574.07	0	$ 33,108.33

Price less supplier quality premium	**$898,853.77**	**$1,051,207.40**	**$1,575,653.60**

19 Based on the above Downer are the recommended Tenderer for Contract 17/30.

Contract 17/31 - Western Area

Attribute (Weighting)	Downer	Fulton Hogan	Spray Markers
Relevant Experience (5%)	90	85	85
Track Record (5%)	90	70	90
Resources (5%)	90	60	85
Relevant Skills (5%)	85	70	60
Methodology (10%)	85	70	75
Sum of Non-priced Attributes (30%)			
Tender Price	$1,108,314.14	$1,428,360.00	$2,018,500.00
Supplier Quality Premium ($)	$ 103,232.14	0	$ 46,454.46
Price less supplier quality premium	**$1,005,082.00**	**$1,428,360.00**	**$1,972,045.54**

20 Based on the above Downer are the recommended Tenderer for both Contract 17/31 and Contract 17/30

Issues

21 The main issue considered by the TET team was the ability of Downer to complete both the Eastern and Western Area contracts. This is partly allayed due to Downer being the incumbent for the Western Area along with the quantum of resources outlined in the tender proposal. On this basis the TET team of no reservation in recommending Downer for both Contracts.

Factors to Consider

Legal and Statutory Requirements

22 NZTA procurement procedures.

23 Local Government Act 2002.

24 No unusual legal considerations are involved with this project. As with all projects, but larger value projects in particular, there is the risk of a legal challenge regarding the tender results from unsuccessful Tenderers. To reduce this risk the Tender Evaluation Team carefully follow the NZTA procurement procedures.

Community Views

25 No specific community views have been sought outside of Councils Long Term Plan or Annual Plan process due to the nature of the works primarily being standard road maintenance activities (business as usual).

26 The contract document does take account of community views by addressing issues such as patchiness and visibility by requiring a full remark of the network at the start of the contract. In addition Council has taken on a more active role in directly managing the contract with the recent appointment of Stephen Arthur to the role of Traffic Services Engineer.

Costs and Funding

27 The activity forms part of the overall roading budget with the NZTA share being apportioned appropriately.

28 The tender value for separable portion one (2017/2018) of the contract fits within the approved NZTA and SDC budget for 2017/18 financial year.

29 The value of the budget for pavement marking programme for subsequent years will not be known until the 2018-2028 LTP is adopted and NZTA have approved the 2018/21 three year programme, however, the tender outcome will be used as a basis for SDC's funding application to NZTA for the this activity.

30 As cost fluctuations will apply to the contracts, this will impact on the final cost being different from that tendered however this will be monitored during the contract period.

Policy Implications

31 Council's Procurement Policy.

32 Council's NZTA Procurement Strategy.

33 As outlined above in the report, NZTA tender evaluation process will be followed along with Council's Procurement Policy.

Analysis

Options Considered

34 The options to consider is whether or not to award the tender.

Assessment of Significance

35 Based on the Council's Policy on Significance and given that any decision made is in line with the Annual Plan and budget expectations, it is believed that the decision made based on this recommendation is not significant.

36 The procurement method proposed, along with this activity forming part of the Annual Plan and Long Term Plan, means that the letting of this contract is not significant in terms of Section 76 of the Local Government Act 2002

Recommended Option

37 Both Downer and Fulton Hogan have reasonably successfully completed pavement marking contracts for SDC during the past five years. Downer's combination of price and SQP means they are the recommended Tenderer for both contracts.

38 As this is a continuation of a core roading services and the total value of the contracts fit within the allocated roading budget for this activity it is recommended that;

- Downer's tender price of $972,427.84 for Contract 17/30 - Eastern Area be accepted; and

- Downer's tender price of $1,108,314.14 for Contract 17/31 - Western Area be accepted.

Next Steps

39 Services and Assets Committee formally award the contracts to the recommended tenderers and Council's Group Manager Services and Assets, formally notify the successful and unsuccessful tenderers of the outcome from the tendering process.

Attachments

There are no attachments for this report.

District Wide LED Replacement - Unbudgeted Expenditure and Tender Award

Record No: R/17/9/21792
Author: Hartley Hare, Strategic Manager Transport
Approved by: Ian Marshall, Group Manager Services and Assets

☒ Decision ☐ Recommendation ☐ Information

Purpose

1 To seek approval from the Services and Assets Committee to proceed with the accelerated LED streetlighting replacement programme across the Southland District Council network, along with the award of Contract 17/45 – Southland Streetlight LED Upgrade 2017/18 for the physical installation works.

Executive Summary

2 A report was presented to Services and Assets on 9 August 2017 seeking approval to proceed with the procurement of physical works and accelerated purchase of LED streetlights.

3 This report covers the tenders received, the evaluation carried out and recommendations for awarding the contract.

4 Approval is sought for unbudgeted expenditure of $1.2 million plus GST (Southland District Council portion is $180,000) for the project.

5 Endorsement is sought from the Services and Assets Committee for the award of a contract 17/45 to Network Electrical Servicing (NES).

Recommendation

That the Services and Assets Committee:

a) Receives the report titled "District Wide LED Replacement - Unbudgeted Expenditure and Tender Award" dated 20 September 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) Approve the unbudgeted expenditure of $1.2M (SDC Portion $180k) for the accelerated upgrade programme for LED streetlights to maximise NZTA funding assistance for this activity (85% vs 52%).

e) Accept the tender from Network Electrical Servicing for the installation of the LED lights to the value of $576,233.05 plus GST.

Content

Background

6 The Southland District Council's Strategic Transport Department have investigated the benefits of moving to LED streetlights to replace Council's current High Pressure Sodium (HPS) lights.

7 There has been a push from Central Government for Local Authorities to convert street lighting networks to LED, and to date there has been significant upgrades happening all over New Zealand.

8 On 9 August a paper was presented to the Services and Assets Committee outlining the business case covering the significant financial benefits by converting to LED street lighting, namely via reduced power consumption and reduced maintenance efficiencies that can be gained.

9 At the 9 August meeting the Services and Assets Committee;

- *Resolve that upgrade programme for LED be accelerated to maximise NZTA funding assistance for this activity (85%).*
- *Resolve that a tender be put to market for the instillation of the LED lights.*
- *Endorse that the outstanding quantity of light units be purchased from Council's previously approved suppliers.*
- *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.*

10 The tender was advertised on Local Government Online and the procurement methodology used was the lowest price conforming method.

11 Initial three contractors expressed an interest however only one tender was received by the closing date of 5 September 2017. This was from Network Electrical Servicing Ltd (NES).

12 NES have previously carried out work on both the Southland District Council and Invercargill City Council networks.

13 The price received from NES was $576,233.05 which is 38% higher than the estimated price of $417,935.00.

14 At the time of writing this report the Transport Team had not received a response from Powernet as to why they had not tendered.

15 It is surmised that resourcing may be a reason why no other tenders where submitted as the majority of Councils are trying to take advantage of the enhanced NZTA subsidy which in turn is putting pressure on industry resource to complete the works in the required timeframe.

16 While only one tender was received it is deemed competitive when considering the cost associated with the Trial carried out in Wallacetown.

17 Based on the above Network Electrical Servicing Ltd is the recommended tenderer.

Issues

18 While there may be some minor issues associated with retrofitting LED streetlights on the network, these issues are not deemed to be significant.

19 It is worth noting that the Council have a small number of decorative (also referred to as heritage) street lighting units across the District. There is currently no cost effective LED replacement on the market for these existing lights.

20 It is intended to let a separate procurement and installation tender in future when cost effective options are available. There will be no decorative/heritage light fittings replaced in this contract.

21 There is always a risk that improved technology may come to fruition, however worldwide LED street lighting is being embraced on a very large scale with no apparent competition from alternative options.

22 In New Zealand, all large council areas are being converted to LED and this is now flowing down to smaller cities and districts nationwide with drive coming from NZTA.

Factors to Consider

Legal and Statutory Requirements

23 No unusual legal or statutory considerations are involved with the procurement and installation of LED lighting units.

Community Views

24 Although no community views have been sought on this topic, the Strategic Transport Department ran an Investment Logic Mapping (ILM) sessions in 2015 where some

Councillors and community organisations were present to discuss the benefits of moving to an LED street lighting network.

25 The proposed LED street lighting replacement aligns well with key messages formed within the Long Term Plan Community Outcomes, such as:

- *Deliver our own services and activities in a sustainable manner.*
- *Support initiatives which reduce impacts on the environment.*
- *Ensure that infrastructure and services are provided and maintained consistent with community needs and provide value for money in a sustainable manner.*
- *Look for opportunities to increase value of our services.*

Costs and Funding

26 The Strategic Transport Department have revised the total project estimated cost to replace the existing HPS street lights to LED to be $1.2M. The increase in cost is as a consequence of the higher tender price received for the physical instillation costs.

27 NZTA are offering a FAR of 85% for Local Authorities to retrofit their existing networks to LED by 30 June 2018. This exposes Council to cover the remaining 15% (approximately $180,000). For the SDC share this is $30,000 above the initial estimate.

28 A business case to complete this work has been submitted and approved by NZTA to retrofit the network to LED street lights. The Strategic Transport Department are confident this allows enough time to retrofit our network of around 2000 light units.

Policy Implications

29 There are no substantive Policy or District Plan considerations relevant to this matter but this process is subject to the following:

- Council's Procurement Policy.
- Council's NZTA Procurement Strategy.

30 The NZTA tender evaluation process has been followed along with Council's Procurement Policy.

Analysis

Options Considered

31 The tender was let as a lowest price conforming, however only one tender was received. The pricing received was within the national average of prices for similar work.

32 The options to consider are as follows:

Option 1 - Approve Unbudgeted Expenditure and award the tender to NES

Option 2 – Do Nothing

Option 3 – Install the LED Lights under *Minor Improvements Category* (spread cost over multiple years) at standard funding assistance rate (currently 52%).

Analysis of Options

Option 1 – Approve Unbudgeted Expenditure

Advantages	*Disadvantages*
• Significant power consumption efficiencies gained by LED lighting. • Significant maintenance efficiencies gained by LED lighting, street lights last much longer and reduced inspections required. • Levels of service remain largely unchanged, but significant efficiencies gained. • As an example, less power demand on Stewart Island power scheme as street lighting network converted to LED, so there will be at a reduced consumption requirement on this power supply network. • Although there is an initial cost to purchase an LED unit, they typically pay themselves off over a seven year period due to maintenance and power savings, three years before the warranty expires (and with an expected remaining life of around 13 years). • Significantly reduced street light maintenance contract expenditure moving into the future, LEDs don't have the labour requirements HPS lights require.	• Up front capital cost to purchase the new lighting units.

Option 2 – Do Nothing

Advantages	*Disadvantages*
• No initial capital cost in purchasing of LED units.	• No maintenance efficiencies gained, as HPS lights require more frequent bulb replacement and attendance. • HPS lights need regular and ongoing inspections due to short bulb life. • No power consumption saving efficiencies gained, as LED use significantly less power to operate. • As LED becomes the new normal, HPS equipment will be hard to source (if at all, in future). • A HPS unit may use up to 6 bulbs when

	compared to the expected life of an LED, which equals almost double the initial cost of an LED unit (excludes the labour cost to physically change each bulb).

Option 3 – Install the Lights under Minor Improvements Category

Advantages	*Disadvantages*
• No advantages	• Unable to access the NZTA FAR of 85%, it will be under the standard FAR of 52% dropping to 51% in 2018/19.

Assessment of Significance

33 This is not considered significant.

Recommended Option

34 The Strategic Transport Department recommends that the contract for District wide installation of the LED lights be awarded to Network Electrical Servicing (NES).

35 The Strategic Transport Department recommends that Council approve the unbudgeted project expenditure of $1.2M (SDC contribution $180K).

Next Steps

36 Services and Assets Committee formally award the contracts to the recommended tenderer and Council's Group Manager Services and Assets, formally notify the successful tenderer of the outcome.

Attachments

There are no attachments for this report.

Clifden Blackmount Road Seal Widening

Record No: R/17/9/21845
Author: Hartley Hare, Strategic Manager Transport
Approved by: Ian Marshall, Group Manager Services and Assets

☒ Decision ☐ Recommendation ☐ Information

Purpose

1 The report outlines the tenders received for Contract 17/35 – Clifden Blackmount Road Seal Widening and seeks approval from the Services and Assets Committee to award Contract 17/35 to the recommended tenderer.

Executive Summary

2 The report covers the tendering outcome for the seal widening of 2,300 metres of Clifden Blackmount Road from RP 3684 to RP 5985.

3 The report covers the tenders received, the evaluation carried out and recommendations for letting the contract.

Recommendation

That the Services and Assets Committee:

a) Receives the report titled "Clifden Blackmount Road Seal Widening" dated 20 September 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 Roading Company's tender price of $253,900.00 plus GST.

Content

Background

4 Clifden Blackmount Road seal width, between route position 3684m and 5985m, has been identified as being under width and would benefit from being seal widened to the recommended width for a Secondary Collector Road (7m). From a ranking point of view Clifden Blackmount Road came up as one of the highest ranked roads for seal widening when the review of narrow sealed roads was carried out.

5 Seal Widening was originally identified as being most worthwhile on Clifden Blackmount Road between CH 55 to CH 5985. Following a further review for the Activity Management

Plan it has been recommended that the first section from route position 55m to 3684m be held at its existing recorded width of 6.4 m until it is due for rehabilitation, which may possibly be within ten years (currently projected to be 2023). This timing would potentially also better match in with the priority for the guard railing of bridge one.

6 The scope of the work includes roadside and subsoil drainage works; removal and replacement of unsuitable materials; production, supply, shaping and compaction of subbase and basecourse; preparation and first coat sealing of the surface; sweeping and pavement marking; and installation of signs and marker posts.

7 No Guardrail is planned to be installed at the stock underpass (existing sight rail to remain) and no fence lines are envisaged to be moved.

8 The tender was advertised on Local Government Online and in the Tenders Gazette. Conforming tenders were received from three tenderers by the closing date of 6 September 2017. The submitted tenders are as follows (excluding GST):

9

Tenderer	**Tender Price**
The Roading Company	$253,900.00
SouthRoads	$279,520.15
Wilson Contracting	$626,190.37
MWH Estimate	**$213,770.00**

10 The lowest conforming price received was 19% greater than the Engineer's detailed tender estimate. As the tenderer was required to submit one rate (lump sum) to cover all work involved in undertaking the seal widening the prices are likely reflecting the additional risks involved in incorporating all aspects of the works in a single rate.

11 Based on the above The Roading Company is the recommended Tenderer for Contract 17/35 – Clifden Blackmount Seal Widening.

Issues

12 The seal widening treatment is based on establishing levels of services consistent with the road classification and function while taking into account ongoing maintenance requirement such edgebreak repair and safety risk associated with varying seal width along the route.

13 As discussed in the background timing of future renewal works also needs to be taken into account to ensure whole of life cost are taken into account.

Factors to Consider

Legal and Statutory Requirements

14 NZTA procurement procedures.

15 Local Government Act 2002.

16 No unusual legal considerations are involved with this project. As with all projects, but larger value projects in particular, there is the risk of a legal challenge regarding the tender results from unsuccessful Tenderers. To reduce this risk the Tender Evaluation Team carefully follow the NZTA procurement procedures.

Community Views

17 Although no specific community views have been sought feedback has been sought and received from Councils Community Engineers and the Alliance Contractors in identifying candidate sites.

18 The works also align with the Long Term Plan Community Outcomes, such as:

- *Ensure that infrastructure and services are provided and maintained consistent with community needs and provide value for money in a sustainable manner.*
- *Look for opportunities to increase value of our services.*

Costs and Funding

19 The activity forms part of the overall roading budget with the NZTA share (52%) being apportioned appropriately.

Policy Implications

20 Council's Procurement Policy.

21 Council's NZTA Procurement Strategy.

22 As outlined above in the report, NZTA tender evaluation process will be followed along with Council's Procurement Policy

Analysis

Options Considered

23 Generally two main options have been considered and outlined below.

Analysis of Options

Option 1 – Do Nothing (status quo)

Advantages	*Disadvantages*
• Reduced financial input required particularly in the short to medium term. • Greater number of small defects can be treated in isolation over the whole SDC roading network.	• Continued reduction in levels of service and likely increase in road user safety risk over time. • Increased risk of road deterioration requiring increase maintenance expenditure and in turn imposing a significant financial requirement over the longer term.

Option 2 – Seal Widening

Advantages	*Disadvantages*
• Establish levels of service on routes justified by traffic volumes and strategic value to the network. • Removing inconvenience to road users and providing improved road user experience. • Long term cost savings. • Reduced maintenance cost which can be redistributed elsewhere on the network.	• Greater shorter term financial input required compared to patch and reseal option.

Assessment of Significance

24 Based on the Council's Policy on Significance and given that any decision made is in line with the Annual Plan and budget expectations, it is believed that the decision made based on this recommendation is not significant.

25 The procurement method proposed, along with this activity forming part of the Annual Plan and Long Term Plan, means that the letting of this contract is not significant in terms of Section 76 of the Local Government Act 2002

Recommended Option

26 The recommended Tenderer has successfully completed similar work for the Southland District Council in the past and has submitted a reasonable price. We therefore recommend the acceptance of the tender from The Roading Company of $253,900.00 (excluding GST)

Next Steps

27 Services and Assets Committee formally award the contracts to the recommended tenderer and Council's Group Manager Services and Assets, formally notify the successful and unsuccessful tenderers of the outcome from the tendering process

Attachments

There are no attachments for this report.

Structural Engineering Services for Transport

Record No: R/17/9/21859
Author: Hartley Hare, Strategic Manager Transport
Approved by: Ian Marshall, Group Manager Services and Assets

☒ Decision ☐ Recommendation ☐ Information

Purpose

1 To advise Council of the outcome of the tender evaluation process for the Structural Engineering Services for Transport Tenders, Contract No. 17/29.

Executive Summary

2 The current contract for the provision of Professional Services for Roading, Contract 12/03 expires on 30 September 2017. The incumbent is Stantec (ex MWH Global).

3 Tenders were called in July and closed on 2 August 2017 for a three-year initial term with two possible extensions of one year each subject to performance and Council's discretion. Three bona fide tenders were received, from Calibre Consultants, Opus and from Stantec.

4 Tender proposals have been evaluated in accordance with Council's Procurement Policy and the provisions of the Request for Tenders (RFT). This report presents the outcome of the evaluations and seeks Council approval to award the contract to the preferred tenderer.

5 Stantec submitted a conforming tender and an alternative tender. In consideration of all conforming tenders Stantec was the highest ranked tenderer when it's extremely competitive price was taken in to account.

6 Stantec's alternative tender offered a lower price for the Primary Services but was considered by the Evaluation Team as deficient in meeting the requirements of the contract and is not recommended.

7 The Evaluation Team recommends Contract No.17/29, Structural Services for Transport be awarded to Stantec for its conforming tender.

Recommendation

That the Services and Assets Committee:

a) Receives the report titled "Structural Engineering Services for Transport" dated 19 September 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 process

e) Awards Contract 17/29 for Structural Engineering Services for Transport Services to Stantec for the sum of $765,000.

f) Authorise the Group Manger Services and Assets to formally notify Tenderers of the outcome and to execute the Contract documents.

Content

Background

8 The current contract held by Stantec (previously MWH Global) for Professional Services for Roading, Contract 12/03. This contract expires on 30 September 2017.

9 The scope of the professional services contracts has been reviewed prior to going to the market. The purpose of the review was to improve flexibility and the range and capacity of resources available to Council to enable higher outputs to fully meet Council's programme of work and to also recognise some extended scope of the three new Maintenance Alliances which was an outcome of the "Roading Service Delivery Review" undertaken in 2015. This has resulted in the services being divided into three packages being:

- **Core Services** – comprising technical advice and professional support for Transport's asset management, pavement renewals capital works and reseal programmes, management of sealing contracts, maintenance intervention strategies, network controls and network safety. The outcome of tenders for this contract was reported to Council in July and the contract awarded to Opus International Consultants.

- **Structural Engineering Services** – comprising specialist technical advice and asset management support regarding Council's stock of (circa) 1000 bridges and other structures, renewals programming and design and delivery management of the bridge renewal programme.

- A small panel of pre-qualified consultants to competitively undertake **Pavement Renewal Projects** (design and contract management).

10 The invitation to pre-qualify for Pavement Renewal Projects has been issued to the market.

11 The Structural Engineering Services is the subject of the tenders under consideration in this report.

12 Tenders were called in July and closed on 2 August 2017 for a three year initial term with two possible extensions of one year each subject to performance and Council's discretion. Three bona fide tenders were received, from Calibre Consulting, Opus and Stantec.

13 Another submission was also received from the "Survey Group", a specialist survey firm based in Perth. It was in the form of a capability profile pamphlet and did not address the scope of the RFT in any way. It was put to one side as wholly irrelevant to the services required.

14 The three bona fide tenders were initially checked for compliance with the provisions of the RFT and all were assessed as being acceptable for the purposes of evaluation. It was noted that the non-price submission by Stantec stated that they had submitted an alternative tender and the details of this were contained in the Price File. No details of the alternative were presented in the non-price submission.

15 The RFT set out the basis on which the successful tender would be selected using a NZTA standard Price Quality Method which is well recognised within the industry. The method requires the evaluation of non-price related attributes and determination of a Supplier Quality Premium (SQP) that the Council would be prepared to pay to secure tenders that are higher ranked based on the non-price assessment. When this has been determined the price file for each tender is opened and the SQP deducted from the tender price of the higher ranked tenderers. In this case there were three tenderers requiring two SQPs to be determined.

16 Evaluation of the non-price attributes was individually done by the members of the ET and then moderated through debate in a meeting to achieve a consensus score for each attribute which was then weighted as per the table below to yield a ranking of the tenders.

Attribute	**Weighting**
Relevant experience and track record	20%
Technical skills and management skills	20%
Methodology	40%
Health and safety	Pass/Fail
Insurance	Pass/Fail
Price	20%

17 The Evaluation Team (ET), formed to evaluate tenders and recommend the preferred tender to Council comprised:

Evaluation Team
Doug Low, Morrison Low (Chair)
Joe Bourque, Southland District Council
Hartley Hare, Southland District Council
Dylan Rabbidge, Southland District Council

18 The Non-Price evaluation was supported by referee checks using referees nominated in the tenders.

19 It is noted that two tenderers are well established over a long period in Southland and are well known to Council. They are both familiar with network issues and have both recently undertaken work for the Transport Team. The tender from Calibre was well presented and provided an impressive fresh approach and this was supported by feedback from three referees. The non-price moderated scores are set out below. All three tenderers satisfied the Health and Safety and Insurance requirements.

20 The moderated consensus results are tabulated below.

		Calibre		**Opus**		**Stantec**	
	Weight %	Consensus Score	Weighted Score	Consensus Score	Weighted Score	Consensus Score	Weighted Score
Experience & Track Record	20	78.75	15.75	82.5	16.5	83.75	16.75
Technical & Management Skills	20	78.75	15.75	83.75	16.75	81.25	16.25
Methodology	40	83.75	33.5	85.5	34.2	82.5	33
Total Non-Price Weighted Score			**65**		**67.45**		**66**

The non-price weighted scoring established a lead over the lowest ranked tender by Opus of 2.45% and by Stantec of 1.0%. This is known as the "Weighted Sum Margin" to be used in the formula below.

21 The budget estimate for the Primary Services of the contract is $280k per year. The tender amounts were for the three-year initial term of the contract yielding an estimate of $840k for the term. This estimate was used to calculate the Supplier Quality Premium (SQP) according to the formula:

SQP = Contract Estimate x weighted sum margin ÷ Price Weight

- For **Opus** this was:

  SQP = $840,000 x 2.45% ÷ 20%
  = $102,900 which is 12.25% of the estimate.

- For **Stantec** this was:

  SQP = $840,000 x 1.0% ÷ 20%
  = $42,000 which is 5% of the estimate.

22 The recognised formula is intended to provide a guide on the Supplier Quality Premium and can be moderated. It was considered by the ET that the premium for Opus was excessive and should be moderated down to 10% of the estimate being $84k. The TET agreed the Stantec premium should remain at 5% of the estimate at $42k. In other words, these are the amounts that could be deducted from the Opus and Stantec tender prices respectively before comparing the prices of all three tenderers to determine which would be the successful tenderer.

23 At this point the price files that had been locked down and password protected were opened yielding the following results.

	Calibre Conforming	Opus Conforming	Stantec Conforming	Stantec Alternative
Total Primary Services Tender Price	$1,242,000	$1,171,800	$765,000	$540,000
Less Supplier Quality Premium		$84,000	$42,000	*
Adjusted Price for tender comparison	**$1,242,000**	**$1,087,800**	**$723,000**	**540,000**

*No SQP could be established for the alternative tender as no non-price submission was included.

24 From conforming tenders, Stantec emerges as the preferred tenderer with a price of $765,000. It is noted that the application of the Supplier Quality Premium was not required to achieve this result.

25 Stantec's tender is extremely competitive being 37% lower than the average of the other two tenders. At nearly 10% below Council's estimate of $840,000 (assessed as the minimum sustainable value for the Primary Services) the price is considered to be tight for the scope of work tendered upon. Stantec can sustain this given its size nationally but attention will be required to ensure there is an ongoing focus on meeting contractual requirements.

Alternative tender

26 Stantec's alternative tender was considered in the context of the contract requirements. The RFT required the undertaking of bridge inspections and develop draft rolling three year and 10-year renewal programmes according to a cyclic process designed to achieve a level work quantum each year and efficiently meet Council's timeframes. It also indicated a likely resource of 2FTE could achieve this based on historic performance but allows for this to be jointly reviewed after the first year and lump sums to be agreed for subsequent years.

27 Stantec's alternative offer assumes a lower level of input and requires that Stantec not be constrained by the time commitments contained in the RFT and in return Stantec would take the risk on maintaining its price for the full three years of the initial term of the contract.

28 The TET has considered the implications of this including the likely savings and the management input required to achieve the required outcomes. It has also taken Stantec's past performance on programme management for Council and referee feedback into account.

29 The compelling reason for disaggregating the total professional services into three specialist areas of Core Services, Structural Services and Rehabilitation Projects is to ensure that each of these areas can be adequately resourced to avoid historic difficulties in meeting work programmes and when needed to provide a level of flexibility that will be required in day to day service performance.

30 It is the view of the TET that at the alternative tendered price and lower resource level offered, the overall service level in terms of timeliness and quality is expected to be materially lower than that required resulting in much higher management input by Council's already fully committed Transport staff.

31 While the TET is very conscious of the need to obtain best value for the available tight budgets, in this case, supported by historical performance, the indicated monetary advantage of the alternative is likely to be seriously offset by the additional internal resources required to achieve the required outcomes. With present Council resource levels, this would not be sustainable. Accordingly, acceptance of the Stantec alternative tender is not recommended.

Hourly Rates

32 It is noted that tenderers were also invited to provide hourly rates to be used as the basis for pricing of any work that was allied to but outside of the prescribed scope of the Primary Services. This was to provide for flexibility in the contract for (say) emergency events or other unforeseen circumstances or as a basis for pricing the delivery of renewal projects. The Stantec rates submitted are highly competitive and circa 25% lower than those tendered by the other two submitters.

33 Having completed its assessment, the Evaluation Team recommends the award of Contract 17/29 – Structural Engineering Services for Transport to Stantec for its conforming tender for the sum of $765,000 for the Primary Services.

Issues

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

Factors to Consider

Legal and Statutory Requirements

35 No significantly unusual legal considerations are involved with this tender. As with all contracts projects, there is the risk of a legal challenge regarding the tender results from unsuccessful tenderers. To reduce this risk the Tender Evaluation Team diligently followed the NZ Transport Agency methodology and Council's procurement policy.

Community Views

36 No specific community views have been sought outside of Councils Long Term Plan or Annual Plan process due to the nature of the works being business as usual transport activities.

37 This activity forms part of Councils on going roading activity and is covered in Councils Transport Activity Management Plan.

38 This style of contract aims to enhance the service provided to the community and boost responsiveness to their issues.

Costs and Funding

39 The costs will continue to be part of the overall roading management budgets with the NZTA share being apportioned to the relevant NZTA funding categories.

Policy Implications

40 As outlined above in the report NZTA tender evaluation process has been followed along with Council's procurement policy. Consideration was also given to the outcome of the 'Roading Service Delivery' review undertaken in 2015.

Analysis

Options Considered

41 The options considered for the tendering of this contract where discussed in the report presented on 21 June 2017.

42 The only mater for considering is whether to award the contract or not.

Assessment of Significance

43 Roading professional services is provided for within the 2015 LTP and representatives a 'business as usual' matter. As such a decision in accordance with the recommendation is not considered significant.

Recommended Option

44 The Evaluation Team recommends the award of Contract 17/29 – Structural Engineering Services for Transport to Stantec for its conforming tender for the sum of $765,000.

Next Steps

45 Council's Group Manager Services and Assets, formally notify the successful and unsuccessful tenderers of the outcome from the tendering process.

46 Formalise the contract.

Attachments

There are no attachments for this report.

Item 7.5

Milford Crescent Minor Improvement

Record No: R/17/9/22406
Author: Hartley Hare, Strategic Manager Transport
Approved by: Steve Ruru, Chief Executive

☒ Decision ☐ Recommendation ☐ Information

Purpose

1 The report outlines the outcome of the proposed improvement works at Milford Crescent in Te Anau including the outcome from the Te Anau Community Board consultation.

Executive Summary

2 Southland District Council (SDC) are proposing to carry out some minor improvements on Milford Crescent in Te Anau to improve the safety and performance of this road. These improvements also tie-in with the Wong Way development.

3 The report outlines the issues along with the proposed interventions along with a recommendation from the Te Anau Community Board

Recommendation

That the Services and Assets Committee:

a) Receives the report titled "Milford Crescent Minor Improvement" dated 21 September 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 that the original staff recommendation was to relocate the pedestrian crossing on Milford Crescent at The Lane so that it was in the area of the existing entry/exit from the supermarket.

e) Endorse the recommendation from the Te Anau Community Board meeting to carry out the minor safety works but not to relocate the pedestrian crossing on Milford Crescent at The Lane.

f) Endorse that a review of the Pedestrian crossing on Milford Crescent at The Lane be carried out within the next 12 months and the outcome of that assessment be reported back the Committee including usage.

Content

Background

4 This report has been prepared following a review of various safety concerns raised regarding Milford Crescent in Te Anau and following the outcome of the Te Anau Community Board meeting held on 13 September 2017.

Issues

5 The following issues had been raised with the Southland District Council numerous times over the past few years:

- Speed on Milford Crescent (>30kmh); particularly westbound vehicles.
- The environment and aesthetics of the area is not consistent with the rest of Te Anau township centre.
- The pedestrian crossing adjacent to the lane is not collecting the majority of pedestrian movements crossing Milford Crescent.
- Width of Milford Crescent is very tight in places for large vehicle tracking. Also the provided car parks on the north side of the road are narrow which in turn makes the lanes even tighter with vehicles parked here.
- Pedestrian conflict at the super market entrance way.
- The bulb kerbs either side of 'The Lane' have caused issues for cyclists.

Proposal

6 A number of low cost interventions are proposed to best resolve all of the issues addressed above. These include:

- Upgrade the existing pedestrian crossing by the school so that it is raised similar to the courtesy crossing at the other end of Milford Crescent. This will result in traffic calming and reduce the speed of vehicles westbound on Milford Crescent.
- A painted median (wide centreline) in the centre of the Milford Crescent will take up redundant space and give a 'feel' of being narrow which will also be a good traffic calming intervention. This will also provide the safety benefit of additional lane separation and provide more tracking space for larger vehicles.
- Relocate the existing pedestrian crossing outside the 'The Lane' down to the supermarket entrance. This ties in nicely with the Wong Way development and will hopefully mitigate the majority of Jay-Walkers on Milford Crescent. The Supermarket entrance will be relocated up to where the existing crossing point is to improve conflict points in the car park (this however is not a council project).
- The kerbs either side of the lane will be removed to provide more space for wider lanes, median separation and wider carparks on the north side. This will also allow cyclists to safely traverse westbound without encroaching live traffic lanes.
- A number of plantings will be installed that both improve safety aspects as well as improving the general aesthetics of the area.

7 See attachment A for drawing of the proposed works.

Pedestrian Crossing Relocation

8 The most contentious proposal is the relocation of the existing pedestrian crossing. The current location is not the best location for it due to being immediately adjacent to 'The Lane'.

9 It is accepted that the current location ties in nicely with the walkway between the supermarket and Mitre 10 carpark, however from a safety perspective this conflicting location between left turning vehicles from 'The Lane' and pedestrian movements is less than desirable.

10 The most desirable location given some infrastructural obstructions is at the proposed new location in front of the supermarket. Previously, Council could not relocate to this location due to the existing supermarket entrance, however with the supermarket wanting to move the location to address the safety issues it provides the opportunity to relocate the pedestrian crossing.

Survey Results

11 To confirm our observations that the existing crossing point is not best utilised due to location; a survey was completed. Results from the survey found:

- 44.35% of people using the existing pedestrian crossing are supermarket customers. Because of the relatively small dataset; it would be safe to assume a 50/50 split of supermarket vs other users for the existing crossing.
- 272.37% more people Jay-walk on average than use the existing pedestrian crossing. This is evident throughout all datasets recorded but statistics are even higher during the 5-6pm survey. I assume this is people walking to the supermarket after work prior to heading home. For simple numbers; for every person who uses the existing pedestrian crossing, 3 people jay-walk.

12 The above supports that the pedestrian crossing would be better relocated to the proposed location.

13 Additional advantages of relocating the crossing includes being in line with the new Wong Way development. Also during peak times, traffic will not be queued back out to Milford Crescent due to vehicles having to Giveway to pedestrian movements.

14 It is acknowledged that people are now going to jay-walk at the existing pedestrian crossing location; but with the statistics above we believe the net numbers of jay-walkers will be less and hence a safety improvement overall.

Factors to Consider

Legal and Statutory Requirements

15 No unusual legal or statutory considerations are involved with the proposed works.

Community Views

16 Multiple meetings where held with members of the Community Board as well as the owners and operators of the Fresh Choice Supermarket.

17 A formal paper was presented to the Te Anau Community Board on 13 September seeking support for the proposed works.

18 In general the Community Board supported the proposed works with the exception of relocating of the pedestrian crossing.

19 The Community Boards concern related to the existing users of the pedestrian crossing and the perceived inconvenience for users coming from or going to Moana Crescent.

20 Another concern is that current users of the pedestrian crossing would now be inclined to jay-walk at the existing location should the crossing be removed.

Costs and Funding

21 The costs associated with relocating the access way is to be funded by the supermarket with the remainder of the works being funded from the Roading Minor Improvement Budget (NZTA Work Category 341).

22 The expected cost for the work has been estimated at $20,000 with 52% being co-funded by NZTA.

Policy Implications

23 There are no substantive Policy or District Plan considerations relevant to this matter.

Analysis

Options Considered

24 The options around the physical works proposal have been discussed above in the report.

25 The options for the Committee to consider are:

26 Options 1 – Endorse the modified recommendation from the Te Anau Community Board not to shift the pedestrian crossing at this point in time, but to review the outcome off all the other works before a final decision is made on the location of the pedestrian crossing.

27 Options 2 – Acknowledge the Community Boards recommendation but endorse the original staff proposal which includes relocating the pedestrian crossing.

Assessment of Significance

28 Based on the Council's Policy on Significance and given that any decision made is in line with budget expectations, it is believed that the decision made based on this recommendation is not significant.

Recommended Option

29 The Services and Assets Committee support the recommendation from the Te Anau Community Board meeting to retain the existing pedestrian crossing at the current location despite the preferred location being opposite the current supermarket entrance.

30 That a review of the of the Pedestrian crossing be carried out within the next 12 months of the remainder interventions being completed to assess the impacts of not relocating the pedestrian crossing, including usage.

31 That a report be presented back to the Services and Assets Committee on the findings of the review including usage.

Next Steps

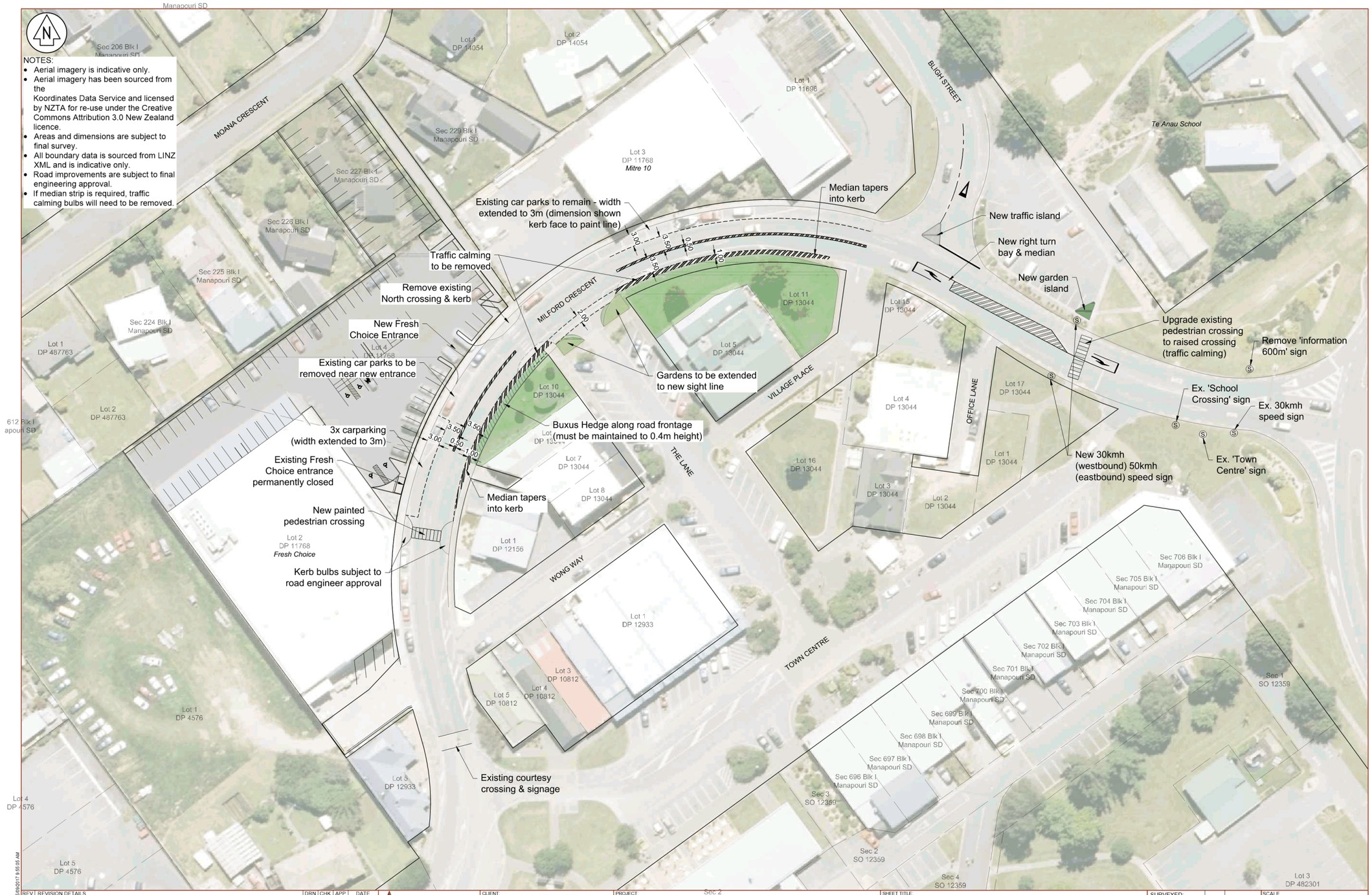
32 Carry out the improvement works and review the impact these have on traffic and pedestrian usage with particular focus on the current pedestrian crossing.

33 Report back the Services and Assets Committee on the outcome of the review.

Attachments

A Milford Crescent Safety Design Drawings ⇩

Item 7.5 Attachment A



REV	REVISION DETAILS	DRN	CHK	APP	DATE
A	Issued for discussion	CHM	JMH	JMH	22/05/2017
B	Issued for discussion	CHM	JMH	JMH	2/06/2017
C	Issued for discussion	CHM	JMH	JMH	9/08/2017
D	Client Issue	CHM	JMH	JMH	28/08/2017
E	Client Issue - plan amendment as per client comment	CHM	JMH	JMH	5/09/2017

Last Edited by: Chris on 5/09/2017 9:55:55 AM

bonisch consultants
T: 03 218 2546 F: 03 214 4285 FP: 0800 802 546
9 The Crescent, P.O. Box 1242, Invercargill 9840
E: admin@bonischconsultants.co.nz
W: www.bonischconsultants.co.nz

CLIENT: JAYAL TRUST & Southland District Council — People First — Te Rohe Potae O Murihiku

PROJECT: MILFORD CRESCENT IMPROVEMENTS, MILFORD CRESCENT, TE ANAU, SOUTHLAND

SHEET TITLE: IMPROVEMENTS PLAN

SURVEYED:		
DESIGNED:		
DRAWN:	CHM	19/05/2017
DRAWING CHECK:	JMH	19/05/2017
DESIGN CHECK:		
APPROVED:	JMH	22/05/2017

SCALE (ORIGINAL SIZE A1): 1:400
DATE ISSUED: 05/09/2017
JOB NO: 6080/2 | SHEET: 1 of 1 | REV.: E

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Item 7.6

Contract 17/25 Waterford Drive Watermain Renewal

Record No: R/17/9/21135
Author: Matthew Keil, Operations/Project Engineer-Water and Waste Services
Approved by: Ian Marshall, Group Manager Services and Assets

☒ Decision ☐ Recommendation ☐ Information

Purpose

1 The purpose of this report is to recommend the award of contract and commence the programmed watermain renewal within Waterford Drive and the surrounding area in Winton, as programmed to occur within the current 2017/2018 Annual Plan.

Executive Summary

2 This report outlines the proposal to undertake a watermain renewal within the Waterford Drive reticulation catchment, Winton, including the renewal of all associated service laterals, rider mains and fixtures, and the installation of a new distribution main between the Winton Water Treatment Plant and 274 Great North Road.

Recommendation

That the Services and Assets Committee:

a) Receives the report titled "Contract 17/25 Waterford Drive Watermain Renewal" dated 20 September 2017.

b) Determines that this matter or decision be recognised 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 Waterford Drive and Railway Street Watermain Renewal projects to proceed for a total amount of $1,323,226.60 ex GST.

e) Approves the award of Contract 17/25 'Waterford Drive Watermain Renewal' to Fulton Hogan for the tendered sum of $818,746.60, including a total contingency of $80,000.00.

f) Approves the expenditure for the proposed 'Railway Street Watermain Installation' consisting of 358 lineal/metres of a renewed new potable distribution main/s between the Winton Water Treatment Plant, 274 Great North Road and 252 Great North Road to 20 Wemyss Street.

g) Delegates authority to Council's 'Group Manager-Services and Assets' to award a variation to Contract 17/25 for 'Railway Street Watermain Installation' subject to recommendations d) and f).

Content

Background

3 The proposed watermain renewal for Contract 17/25 is to occur within the following locations:

- Waterford Drive
- Russell Street/Great North Road
- Airth Street
- Elgin Rise
- Niddry Crescent
- Hamilton Avenue
- McWilliam Avenue
- Welsh Road.

4 This is a large project that incorporates the renewal of all existing Class B asbestos cement-fibrolite pipe (AC). All existing AC pipe had been installed in 1956 giving it a current residual age of 61 years.

5 Similar to previous potable pipeline renewals that have occurred in Winton over the recent years, this project will rectify and eliminate current failures occurring and associated with the current potable AC reticulation within this area of Winton.

6 The project incorporates 2.07 kilometres of pipeline renewals, including all associated fixtures and the renewal of 127 existing service connections to private properties.

7 It is proposed all existing AC watermains are replaced with High Density Polyethelene (HDPE) PE 100, which provides a current life expectancy of 80 years (minimum).

8 Water and Waste asset management records confirm 64 reactive failures within the project areas which were repaired by Council's Operations and Maintenance Contractor since 2000 alone.

9 The proposed HDPE pipeline alignment will be positioned 1.0 metres of the existing AC alignment, meaning the handling of AC will be minimal during construction, this mitigates health and safety risks around asbestos pipe which also results in reduced contractual risk and financial cost during the construction phase of the project.

10 Council's Water and Waste department has consulted with Council's Roading department regarding this project. Areas within the project have been programmed for a full road reseal during the 2018-2019 sealing season.

11 Contract 17/25 was advertised for tender for a four week period and had a tender closure date of 1 September 2017.

12 Council's Water and Waste department advise an additional DN250 HDPE pipeline installation between the Winton water treatment plant situated at 190 Florence Road and 274 Great North Road totalling 218 lineal/metres approximately is important to renew.

Issues

13 The proposed watermain renewals within Contract 17/25 supplies water to residents from Hillary Street and Great North Road. The existing asbestos cement (AC) watermains are of a fibrolite Class B material, which has caused numerous costly reactive repairs across the Winton water network over the years.

14 Condition assessments indicate the existing AC watermains are in poor condition.

15 The undertaking of Contract 17/25 and also the Railway Street Watermain Renewal will see the completion of Council's 16 year renewal programme within the Winton township.

Factors to Consider

Legal and Statutory Requirements

16 All work is to be undertaken within Council's roading corridor only.

Community Views

17 Contract 17/25 is programmed to occur in Council's current 2017/2018 Annual Plan which was approved by Council on 7 June 2017 and formally adopted on 1 July 2017.

Costs and Funding

18 Contract 17/25 is to be funded via loan within the district water rate for the total amount of $1.67M, this budget is configured as follows:

- WAT 1617_5 $1,103,352
- WAT 1617_55 $572,791 (a carry forward from Contract 15/33 - a previously completed watermain renewal within 2016/2017).

19 The contract was formally advertised for tender for a period of four weeks. Tender prices received are as outlined below within Table 1:

Contract 17/25 Waterford Drive Watermain Renewal			
Tenderer	**Fulton Hogan**	**Downers**	**UAML**
Section A	$805,303.70	$921,604.80	$1,138,787.00
Section B	$13,442.90	$12,648.47	$12,335.00
Total	**$818,746.60**	**$934,253.27**	**$1,151,122.00**

Table 1

1

20 Total project costs for Contract 17/25 are as outlined below in Table 2:

Contract 17/25 Total Project Costs	
Fulton Hogan - Conforming Tender Total	$818,746.60
SDC Water and Waste Project/Supervision Fees	$120,000.00
Railway Street Watermain Installation Total Provisional Costs, including contingency and SDC Water and Waste Fees	$384,480.00
Total Project Price- ex GST (Including Contingencies	**$1,323,226.60**

Table 2

21 Council's Water and Waste department has estimated the Railway Street watermain renewal to be $384.4K approximately, this includes all associated contingency, water and waste fees and construction. The Railway Street watermain renewal shall only occur with the delegated authority of Council's Group Manager Services and Assets to approve.

22 Water and Waste staff would like to highlight that Fulton Hogan has now successfully open tendered the previous renewals project that has recently been completed in Winton. The previous tendered work that was undertaken by Fulton Hogan was completed on time and with a high element of quality, and most importantly without any health and safety incidents.

23 Fulton Hogan has supplied Council with cost competitive tendered rates to undertake the Waterford Drive project.

24 By also completing the proposed 'Railway Street watermain renewal' this will complete all watermain/s renewals within the Winton township where current risk is carried by Council regarding existing asbestos pipelines that have been problematic and expensive to repair.

Policy Implications

25 Contract 17/25 has been programmed to occur within the current 2017/2018 financial year and through consultation to the public with the adoption of Council's current 2017/2018 Annual Plan.

26 Given the criticality of the Railway Street watermain it is also proposed this renewal occurs as outlined within Table 2 of this report.

Analysis

Options Considered

27 The following options have been considered and are as outlined below in Options 1-3.

Analysis of Options

Option 1 - A full pipeline renewal as outlined (preferred option)

Advantages	*Disadvantages*
• A significant reduction in future pipeline failure and potential risk to Council. • Lower maintenance and operational costs of the renewed pipeline. • A reliable and durable pipeline. • The future ability of operating the Winton reticulation directly from main/s pressure, off the water treatment plant secondary pumps. • The ability to supply Winton township with water without using the current water tower to obtain head pressure. • Reduced long term disruption to the public. • Responsible asset management of Council's infrastructure. • A robust engineering design to service potable consumers supplied off the reticulated water supply within Winton. • The Railway Street watermain renewal can also be completed within Contract 17/25 and within budget.	• Nil.

Option 2 - Complete a partial pipeline renewal

Advantages	*Disadvantages*
• Nil.	• Intermittent disruption to the public during the construction phase of the project. • The expensive costly reactive repairs to rectify the failed pipelines. • Supply disruptions to the Winton water consumer during failures. • Potential non-compliance from the Ministry of Health should a failure occur on one of the affected pipelines. • Increased maintenance costs to maintain these pipelines. • Poor management of Council's infrastructure. • Poor/limited engineering design.

Option 3 - Do nothing

Advantages	*Disadvantages*
• Nil.	• Intermittent disruption to the public during the construction phase of the project. • The expensive costly reactive repairs to rectify the failed pipelines. • Supply disruptions to the Winton water consumer during failures. • Potential non-compliance from the Ministry of Health should a failure occur on one of the affected pipelines. • Increased maintenance costs to maintain these pipelines. • Poor management of Council's infrastructure. • Poor engineering design.

Assessment of Significance

28 Contract 17/25 is not of significance as per Council's Significance Policy.

Recommended Option

29 Council's Water and Waste department recommend a full pipeline renewal as outlined within Option 1 of paragraph 27.

30 Council's Water and Waste department also recommends that the Railway Street watermain renewal is undertaken as outlined within Table 2 of this report and with the approval of Council's Group Manager of Services and Assets under delegated authority from the Services and Assets Committee.

Next Steps

31 Services and Assets Committee award the contract to Fulton Hogan for a tendered amount of $818,746.60 excluding GST and a total project cost of $1,323,226.60 excluding GST.

Attachments

A Contract 17/25 - Winton Water Main Renewal Key Map ⇩
B Contract 17/25 - Railway Street Watermain - Map Attachment 2 ⇩
C Contract 17/25 - Waterford Drive Watermain Renewal - SDC Formal Clarifications - Email Attachment ⇩
D Contract 17/25 - Fulton Hogan Formal Responses - September 2017 ⇩

Item 7.6 Attachment A

WINTON WATER MAIN RENEWAL KEY MAP

Contract 17/25

LEGEND

SERVICES MAPS (overleaf)

Sewer
- Manhole
- Lateral
- Main
- Rising Main
- Pump Station

Stormwater
- Manhole
- Sump
- Lateral
- Main
- Open Drain

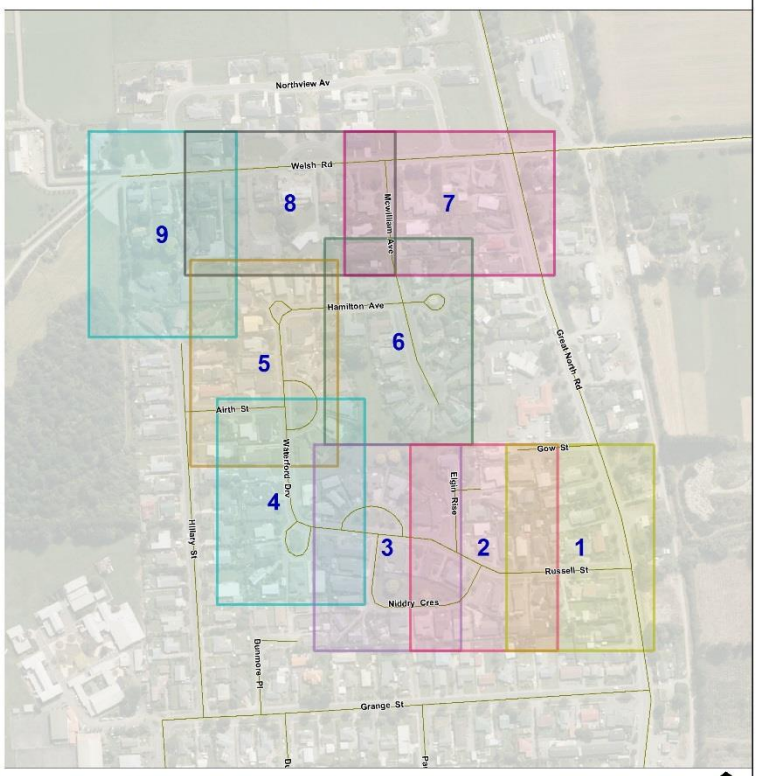
Water
- Air Valve
- Fire Hydrant
- Meter
- Toby Box
- Valve
- Lateral
- Main

Other
- Test Hole
- CRS Parcel

Proposed HDPE water mains
- DN 63 (rider main)
- DN 110
- DN 180

Existing HDPE Raw water main
- DN 225

Maps Date: 19 July 2017
Maps imagery date: Summer 2013



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Te Rohe Pōtae O Murihiku

Disclaimer
The information contained in this map, as well as the detail map set associated with this map, is provided and maintained by various agencies, including Southland District Council, and Land Information New Zealand.

No guarantee is given as to the accuracy or currency of any of the data. The data represents known asset locations, and cadastre obtained from Land Information New Zealand. Neither Southland District Council accepts no liability for any error whatsoever. This plan is suitable for information only, and is not suitable for boundary definition.

If excavations need to occur, please contact Southland District Council. Chorus and Powerlinet to arrange inspections and access agreements. If you notice damage to cables, lines, line supports or bare earth in this area, it will clear ass only Powerlinet immediately on 0800 928 857.

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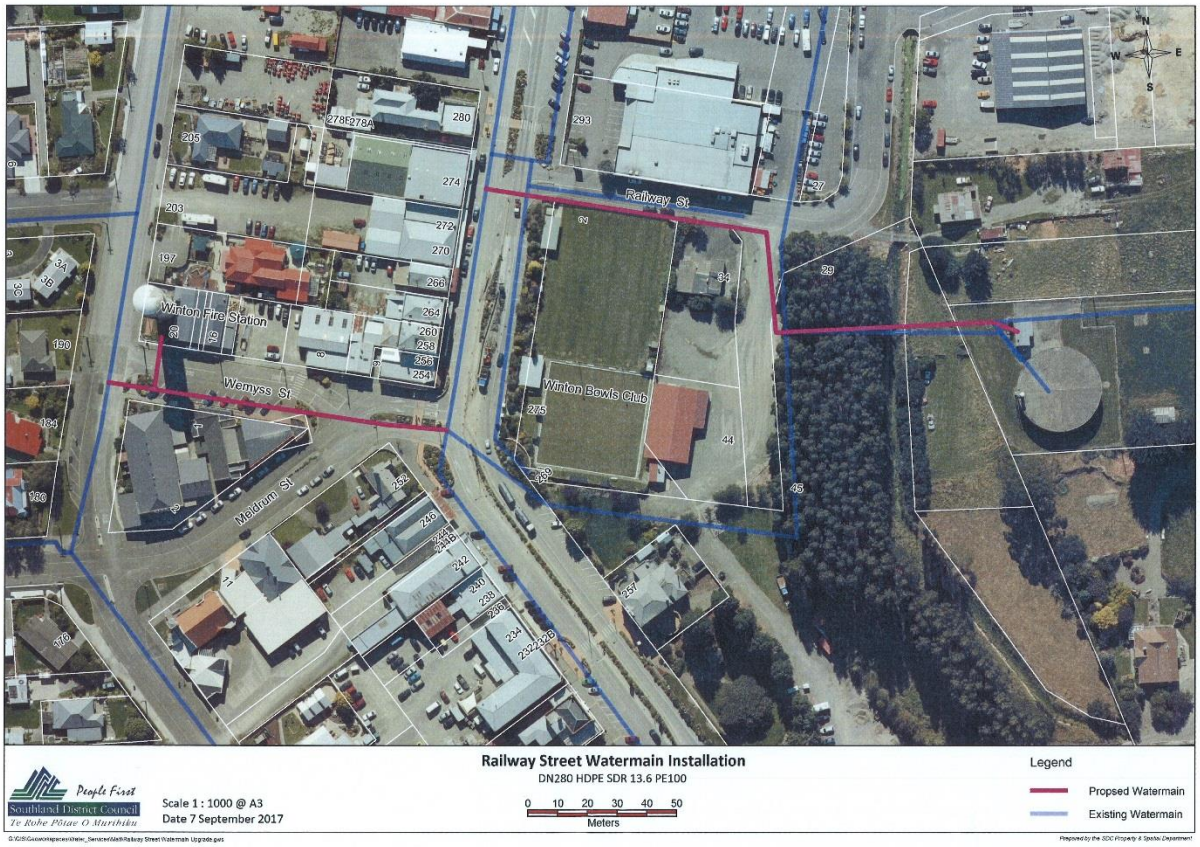
Prepared by the SDC Property & Spatial Department

Item 7.6 Attachment B



Matt Keil

From: Matt Keil
Sent: Monday, 4 September 2017 4:59 p.m.
To: 'FAHEY, Phil'; 'andy.clark@fultonhogan.com'
Cc: Bevan McKenzie; Ian Evans
Subject: Contract 17/25 Waterford Drive Watermain Renewal- Formal Clarifications

Hi Phil,

Firstly- thank you for the efforts Fulton Hogan have placed into tendering for the above project on Waterford Drive.

On behalf of Council, I am formally opening up the communication channels between Council and Fulton Hogan seeking clarifications to the following questions.

- Please confirm your tendered total price of $818,746.60 +GST (inclusive of both Section A and Section B)
- Please confirm your nominated margin as outlined within Section B item 5.0 (18.5%) is inclusive of both onsite and offsite overheads?
- Please confirm your pipeline and fixtures supplier is Humes Invercargill?
- Fulton Hogan's methodology outlines the intention to open trench 1290L/Mtrs of DN180 HDPE and also 360 L/Mtrs of DN63 HDPE, what hasn't been confirmed is the alignment Fulton Hogan is proposing to take (ie the existing where the existing AC is removed from site under notifiable work or a new alignment at least 1.0m off the existing alignment)?
- Your methodology also outlines the proposal to pipe burst the 421L/Mtrs of DN110 HDPE- can you please confirm this?
- Can you please confirm both DN180, DN110 and DN63 are all HDPE SDR 13.6 PE 100 pipe?
- Can you confirm your Brendon Ferguson will be your on-site Foreman on-site during construction (for the duration of the contract)
- Can you confirm what staffing will be on-site during the duration of the construction phase of this project?
- Please remove Tag 4 of your cover head letter waiving limitations on grade- It is interpreted by the Engineer this tag refers to the HDD of the x35- 20 mm (ID) HDPE lateral connections? Please confirm.
- Please confirm how Fulton Hogan will demonstrate the elimination of potential third party damage to existing services when an HDD methodology is being applied by FH?
- Please confirm who your on-site HDPE welders will be and what welding of the main/s pipelines will be occurring- it is assumed butt welding of the main/s and electro fusion welding of the saddles will occur on-site?- please confirm.
- Please supply a completed 'Health Hygiene Plan' as required under item D3.5.4 of the Contract 17/25 tender document.
- Please confirm item 1.a of the schedule of rates under Section A- allows for the digital asbuilting undertaken by a registered surveyor in either a DWG or DXF digital format?
- Please confirm who the contractors representative will be from Fulton Hogan for the duration of construction?

Please respond by **12.00 pm Wednesday 6 September 2017.** Failure to do so will result in Fulton Hogan waiving their supplied tender.

Regards,

Matt Keil
Senior Projects Engineer, Water and Waste Services
Southland District Council
Working Together for a Better Southland

People First
Southland District Council
Te Rohe Potae O Murihiku

1

Fulton Hogan

Southland
267 Tramway Road
PO Box 970, Invercargill 9840
Telephone + 64 3 211 6000
Facsimile + 64 3 211 6019
www.fultonhogan.com

6 September 2017

Tender Number: 1711

Matt Keil
Project Engineer
Water and Waste Services
Southland District Council
PO Box 903
15 Forth Street
INVERCARGILL 9810

Dear Matt,

TENDER FOR CONTRACT: CONTRACT 17/25 – WATERFORD DRIVE WATERMAIN RENEWAL

Fulton Hogan are happy to confirm the following:

Price:
Fulton Hogan can confirm our price of $818,746.60 + GST

Margin:
Fulton Hogan can confirm our margin of 18.5% is inclusive of both off and on site overheads.

Pipe Supply:
We can confirm that Humes Invercargill will supply pipe and fixtures for this contract.

Methodology:
Fulton Hogan confirm we propose to take a new alignment at least 1m off existing alignment. It is expected that some existing A.C. will need to be removed from site. This will be carried out under notifiable work in accordance with industry standards.

Pipe Bursting:
Allowance has been made to pipe burst the DN110 pipe where practical. In areas where this is not practical allowance has been made to open trench at no extra cost the Southland District Council.

Pipe Specification:
Fulton Hogan can confirm that DN 180, DN 100 and DN 63 are all HDPE SDR 13.6 PE 100 pipe.

On Site Staffing:
We can confirm that on site foreman will be Brendon Ferguson and Graeme Turner. Please see attached record of qualifications. We propose to have a crew made up of the following:
1x Digger Operator
1x Truck Driver
2x Personnel laying pipe
Asphalt Crews as required.
Extra Trucks and Operators as required.

Tag No. 4:
Fulton Hogan agree to remove this tag

Damage to exiting services:
Where practical we have allowed to direct drill laterals. Where this is not possible due to close proximity of existing services, open trench methodology will apply. All services will be located prior to any direct drilling taking place and a decision made as to whether direct drilling can be achieved without damage to existing services.

HDPE Welders:
Please see attached proposed personnel for the welding of HDPE Pipe. We can confirm that pipe will be butt welded into strings of approximately 45m and electro fusion welded at every 45m join. All saddles will be electro fusion welded to the mains.

Health and Hygiene Plan:
Please see attached copy of our daft health and hygiene plan that will form part of our contract management plan.

Item 1a:
We can confirm that item 1a does allow for digital as built drawings as per the contract specifications.

Contract Representative:
Fulton Hogan Contract Representative will be Aaron Miller.

Yours sincerely
FULTON HOGAN LTD

P.W. Fahey

Phil Fahey
Civil and Drainage Divisional Manager

Page 2 of 3

Item 8.1

Forestry Operations - Financial Report to 30 June 2017

Record No: R/17/9/21955
Author: Ben du Mez, Graduate Accountant
Approved by: Ian Marshall, Group Manager Services and Assets

☐ Decision ☐ Recommendation ☒ Information

Management Commentary

1 The forestry business has had another high performing year, with a consolidated net surplus, before forest revaluation, of $3.1M. This result is $2.3M favourable to budget. Additional to this is a gain in forest estate valuation of $0.8M and a loss on ETUs of $0.08M, which brings the net surplus after revaluation to $3.8M.

2 $5.7M of timber sales revenue was generated from the Dipton, Waikaia and Ohai forests, from a volume of 50,010 tonnes. This result has been achieved off 10% less area was budgeted; with continued strong and stable log prices (up $35/t), and improved yield and timber recovery across the program (up 7,800 tonnes).

3 Expenditure of $2.6M largely reflects harvesting costs, road access, land preparation and establishment in Dipton, silviculture operations at Ohai and Gowan Hills, and general maintenance and property security operations across all of the forests.

4 The activity also benefited from a gain in asset value, as a result of the 30 June 2017 forest valuation. The estates timber valuation is now $13.7M, compared to $13.0M in 2016, up $773K. In addition, the 30 June 2017 valuation includes the forestry land assets at a value of $2.5M, these assets are recognised at cost ($840K) consistent with Councils accounting policy for Land.

5 The price of Emissions Trading Units decreased from $17.85 per unit (at 30 June 2016) to $17.20 at 30 June 2017. This decrease in price resulted in a total loss in value across all 116,805 units of $76K. No new Emissions Trading Units were received during the year.

Reece McKenzie
FOREST MANAGER
IFS GROWTH LIMITED

Financial Report

Southland District Council Forestry

Statement of Financial Performance
For the period ended 30 June 2017

	Actual 30/06/2017	Year-End Forecast (October)	Percentage of Year-End Forecast	Annual LTP Budget
Income				
Administration	-	-	100%	-
Dipton Forest	4,870,379	3,428,776	142%	1,054,400
Gowan Hills Forest	-	-	100%	-
Ohai Forest	139,843	383,377	36%	177,450
Waikaia Forest	645,042	645,041	100%	430,000
	5,655,264	**4,457,194**	**127%**	**1,661,850**
Less Expenditure				
Administration	98,860	94,154	105%	94,154
Dipton Forest	1,824,601	1,517,910	120%	259,218
Gowan Hills Forest	46,123	47,404	97%	47,404
Ohai Forest	169,329	535,584	32%	329,657
Waikaia Forest	432,380	440,843	98%	118,204
	2,571,293	**2,635,895**	**98%**	**848,637**
Net Surplus/(Deficit)	**3,083,971**	**1,821,299**	**169%**	**813,213**
Plus/less ETU Revaluation Surplus/(Deficit)	(75,923)	-	100%	-
Plus/less Forestry Revaluation Surplus/(Deficit)	773,000	-	100%	-
Net Surplus/(Deficit) after revaluation	**3,781,047**	**1,821,299**	**208%**	**813,213**

Statement of Changes in Equity
For the period ended 30 June 2017

	Actual 30/06/2017	Actual 30/6/2016
Total Equity at the beginning of the year	18,587,074	14,450,998
Increase/(Decrease) in Revaluation Reserve	697,077	-
Net Surplus/(Deficit)	3,083,971	4,736,076
Total Recognised Revenues and Expenses	**22,368,120**	**19,187,074**
Other		
Distribution of Dividend	600,000	600,000
	600,000	600,000
ENDING EQUITY	**21,768,120**	**18,587,074**

Statement of Financial Position
As at 30 June 2017

	Note	Actual 30/06/2017	Actual 30/6/2016
Equity and Reserves			
Accumulated Funds		21,768,120	18,587,074
TOTAL EQUITY		**21,768,120**	**18,587,074**
Represented by:			
Current Assets		-	-
		-	-
Non Current Assets			
Forestry Reserve	**4**	5,178,807	2,692,676
Emission Trading Units	**2**	2,009,046	2,084,969
Other Plant		8,438	9,273
Improvements		7,947	9,272
Land	**5**	839,885	839,885
Forestry	**1**	13,724,000	12,951,000
		21,768,120	18,587,074
NET ASSETS		**21,768,120**	**18,587,074**

Notes to the Accounts
For the period ended 30 June 2017

	Actual 30/06/2017	Actual 30/6/2016
1 Forestry		
Opening Balance	12,951,000	11,331,000
Current Year Revaluation	773,000	1,620,000
Value of Forestry	**13,724,000**	**12,951,000**

2 Emission Trading Units

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 $17.20 per unit at 30th June 2017 (2016 $17.85).

ETU, opening (July 2016)	116,805
Received in 2016/2017 year	-
Total	**116,805**
Total value at $17.20 (market value 30/6/17)	**$2,009,046**

3 Interest

Interest earned in the 2016/2017 financial year has been transferred to the District Operations Reserve, thus it is not showing on the Statement of Financial Performance.

4 Reserves		Actual 30/06/2017	Actual 30/6/2016
Opening Balance		2,692,677	1,485,051
Plus Net Surplus/(Deficit) before revaluation		3,083,971	3,113,917
Non-Cash Depreciation Addback		78,082	2,159
Capital Movements - Land Acq		-	-
Capital Movements - Others		-	-
Allocated Dividend		(600,000)	(600,000)
Interest	3	43,918	38,522
Less: Interest transferred to District Operations Reserve	3	(43,918)	(38,522)
Less: Emission Trading Scheme Credits Adjustment (non-cash)		(75,923)	(1,308,450)
Reserve Closing Balance		**5,178,807**	**2,692,677**
TOTAL RESERVE		**5,178,807**	**2,692,677**
Forestry Reserve		100,000	100,000
Council Forestry Reserve		5,078,807	2,592,677
		5,178,807	**2,692,677**

	Actual 30/06/2017	Actual 30/6/2016
5 Land		
Balance	839,885	839,885
Value of Land	**839,885**	**839,885**

Financial Breakdown by Department
For the period ended 30 June 2017

Forest Administration	**Actual 30/06/2017**	**Year-End Forecast**	**Year-End Forecast (%)**	**Annual Budget 2016/2017**
Income				
Emmission Trading Units Received	-	-	100%	-
Interest on Reserve	43,918	-	100%	-
	43,918	**-**	**100%**	**-**
Expenditure				
Consultants	83,891	70,568	119%	70,568
Fee - General	329	5,466	6%	5,466
Internal - Financial Services	13,378	13,378	100%	13,378
Internal - GIS	1,113	1,113	100%	1,113
Internal - Stationery	92	118	78%	118
Other Insurance	-	3,446	0%	3,446
Registration	31	32	97%	32
Vehicle Insurance	25	33	76%	33
	98,860	**94,154**	**105%**	**94,154**
Net Operating Surplus/(Deficit)	**(54,942)**	**(94,154)**	**58%**	**(94,154)**
Asset Revaluations				
Emission Trading Units Held Surplus/(Deficit)	(75,923)	-	100%	-
Forestry Revaluation Surplus/(Deficit)	773,000	-	100%	-
	697,077	**-**	**100%**	**-**
Net Surplus/(Deficit)	**642,135**	**(94,154)**	**-682%**	**(94,154)**
Capital Movements				
To District Operations Resererve	43,918	-	100%	-
Asst & Ser Forestry Reserve Transfer - To/(From)	-	(705,165)	0%	(705,165)
Add Back Non Cash Depn	697,077	-	100%	-
Forestry Reserve Transfer - To/(From)	(698,860)	11,011	-6347%	11,011
Forestry Dividend Allocated	600,000	600,000	100%	600,000
	642,135	**(94,154)**	**-682%**	**(94,154)**
	-	**-**		**-**

Financial Breakdown by Department
For the period ended 30 June 2017

Dipton Forest	**Actual 30/06/2017**	**Year-End Forecast**	**Year-End Forecast (%)**	**Annual Budget 2016/2017**
Income				
Sales External	4,870,379	3,428,776	142%	1,054,400
	4,870,379	**3,428,776**	**142%**	**1,054,400**
Expenditure				
Access Roading	12,018	-	100%	-
Consultants	16,002	14,742	109%	16,959
Depn - Other Plant	24	24	100%	24
Forest Grower Commodity Levy	11,598	11,346	102%	19,770
Harvest Commission	166,301	137,090	121%	79,080
Harvesting Costs	1,490,258	1,191,777	125%	-
Maintenance - General	10,813	23,177	47%	23,265
Material Damage Insurance	5,273	4,344	121%	3,569
Purchase of Seedlings	31,096	35,104	89%	27,425
Rates	447	447	100%	385
Silviculture - Release Spraying	16,706	16,706	100%	14,943
Fire Protection	405	398	102%	398
Silviculture - Pruning	-	-	100%	-
Tree Planting	34,884	42,912	81%	30,342
Internal Rates Expense	5,921	6,168	96%	6,168
Land Preparation	22,855	33,675	68%	36,890
	1,824,601	**1,517,910**	**120%**	**259,218**
Net Operating Surplus/(Deficit)	**3,045,778**	**1,910,866**	**159%**	**795,182**
Capital Movements				
Add Back Non Cash Depn	(24)	(24)	99%	(24)
Forestry Reserve Transfer - To/(From)	3,045,801	1,910,890	159%	795,206
	3,045,778	**1,910,866**	**159%**	**795,182**
	-	**-**		**-**

Financial Breakdown by Department
For the period ended 30 June 2017

Gowan Hills Forest	Actual 30/06/2017	Year-End Forecast	Year-End Forecast (%)	Annual Budget 2016/2017
Income				
Sales External	-	-	100%	-
	-	**-**	**100%**	**-**
Expenditure				
Consultants	5,727	6,162	93%	6,162
Fire Protection	720	546	132%	546
Maintenance - General	3,719	4,845	77%	4,845
Material Damage Insurance	1,745	843	207%	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
	46,123	**47,404**	**97%**	**47,404**
Net Operating Surplus/(Deficit)	**(46,123)**	**(47,404)**	**97%**	**(47,404)**
Capital Movements				
Forestry Reserve Transfer - To/(From)	(46,123)	(47,404)	97%	(47,404)
	(46,123)	**(47,404)**	**97%**	**(47,404)**
	-	**-**		**-**

Financial Breakdown by Department
For the period ended 30 June 2017

Ohai Forest	Actual 30/06/2017	Year-End Forecast	Year-End Forecast (%)	Annual Budget 2016/2017
Income				
Sales External	139,843	383,377	36%	177,450
	139,843	**383,377**	**36%**	**177,450**
Expenditure				
Access Roading	7,089	74,792	9%	74,792
Consultants	12,879	41,745	31%	41,745
Fire Protection	1,235	876	141%	876
Forest Grower Commodity Levy	289	3,803	8%	3,803
Harvest Commission	4,279	15,210	28%	15,210
Harvesting Costs	49,782	205,927	24%	-
Land Preparation	5,595	7,910	71%	7,910
Maintenance General	6,843	12,413	55%	12,413
Material Damage Insurance	4,708	1,242	379%	1,242
Purchase of Seedlings	-	8,377	0%	8,377
Rates	648	557	116%	557
Silviculture - Pruning	65,263	138,790	47%	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	1,325	1,325	100%	1,325
Depn - Other Plant	545	545	100%	545
	169,329	**535,584**	**32%**	**329,657**
Net Operating Surplus/(Deficit)	**(29,486)**	**(152,207)**	**19%**	**(152,207)**
Capital Movements				
Add Back Non Cash Depn	(1,869)	(1,870)	100%	(1,870)
Forestry Reserve Transfer - To/(From)	(27,617)	(150,337)	18%	(150,337)
	(29,486)	**(152,207)**	**19%**	**(152,207)**
	-	**-**		**-**

Financial Breakdown by Department
For the period ended 30 June 2017

Waikaia Forest	**Actual 30/06/2017**	**Year-End Forecast**	**Year-End Forecast (%)**	**Annual Budget 2016/2017**
Income				
Sales External	645,042	645,041	100%	430,000
	645,042	**645,041**	**100%**	**430,000**
Expenditure				
Access Roading	9,619	9,619	100%	20,000
Consultants	2,521	3,622	70%	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	24,604	100%	32,250
Harvest Costs	363,614	363,613	100%	-
Land Preparation	-	-	100%	15,050
Maintenance - Equipment	1,958	-	100%	-
Maintenance - General	11,238	13,782	82%	15,233
Material Damage Insurance	7,685	6,331	121%	7,725
Purchase of Seedlings	150	-	100%	-
Rates	417	417	100%	372
Tree Planting	604	2,290	26%	2,290
Internal Rates Expense	6,518	7,012	93%	7,012
Depn - Other Plant	266	266	100%	266
	432,380	**440,843**	**98%**	**118,204**
Net Operating Surplus/(Deficit)	**212,661**	**204,198**	**104%**	**311,796**
Capital Movements				
Add Back Non Cash Depn	(266)	(266)	100%	(266)
Forestry Reserve Transfer - To/(From)	212,927	204,464	104%	312,062
	212,661	**204,198**	**104%**	**311,796**
	-	**-**		**-**

Recommendation

That the Services and Assets Committee:

a) Receives the report titled "Forestry Operations - Financial Report to 30 June 2017" dated 20 September 2017.

Attachments

There are no attachments for this report.

Item 8.2

Services and Assets Contracts Update

Record No: R/17/9/21747
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 11 September 2017 the following Property related contracts are in progress**

Department	*Current*	*Due soon*	*Work In Progress*	*Overdue*	*Total*
Community Engineers	*30*	*0*	*2*	*7*	*39*
Property	18		0	0	18
Property - Land Related	2		7		9
	50	**0**	**9**	**7**	**66**

Overview

5 Property Department contracts cover hall custodians and cleaning of buildings owned by SDC, such as offices and libraries.

Type of Service (CE's)	Number	Type of Service (Property's)	Number
Beautification	20	Land related	10
Beautification / cleaning (townships)	3	Major projects	1
Cleaning (public toilets)	13	Hall Custodians	5
Project	1	Compliance	1
Lease	1	Cleaning (offices and libraries)	11
SUB TOTAL	**38**		**28**

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 seven contracts that are overdue are currently with Community Engineers to discuss scope and price with the contractors.

9 Of the nine that are Work In Progress:

- Seven are land related regarding land tenders or grazing and with the Property Officer.
- Two are in the tender phase for Regional Tree maintenance and Wyndham Footpaths.

Risk and Strategy:

10 None.

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 15 September 2017.

Attachments

There are no attachments for this report.

Roading Operations August 2017

Record No: R/17/9/21794
Author: Dylan Rabbidge, Commercial Lead Roading
Approved by: Ian Marshall, Group Manager Services and Assets

☐ Decision ☐ Recommendation ☒ Information

Background

1 SouthRoads currently have the Waimea and Central Alliance maintenance contracts with Fulton Hogan having the Foveaux Alliance. These contracts began in July 2017 with all three currently on an Interim Project Alliance Agreement. It is expected that they will move to a Project Alliance Agreement in early October.

Purpose

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

Summary

3 Customer Satisfaction; 129 Requests for Service (RFS), across the three Alliance contracts were received in August with five not completed on time, 2016/17 95 RFS' were received in August. Of the five RFS's not completed on time all were due to an administration error on the contractors behalf (not closed off in time), however the work was completed on time.

4 Health and Safety; 6 near missis were reported for August with no Lost Time Injuries reported. 16 Site Safety Audits were completed in August.

5 Activity Performance:

- Metalling, 5,960 m^3 or 11% is completed Year to Date.
- Grading, 2,306 km have been graded Year to Date.
- 2017/18 Pre-Reseal Repairs, 116 of 153 sites have been released for inspection. The length completed is 108.55 km of 156.71 km or 69% the Alliances are required to release 75% of sites by the 1st October. We are on track to achieve this with September remaining.
- Stabilisations, 10,135 m^2 (100%) have been completed (of programmed) with only some post winter minor works required (400 $m^{2)}$.
- Edge Break, 23,958 m (84%) of a programmed 28,513 m.

The 2018/19 proposed reseal programme has been provided to the contractors who will begin marking up the sites for repairs in the near future.

6 Risk and Strategy;

- **Slips**, Ohai Clifden Highway has been passed onto MWH to look at a longer term solutions. Bluebottle Slip has had some options discussed with potentially a culvert to be replaced as the solution. Roading has had RST Environmental Solutions complete an assessment of Brydone Glencoe and have proposed a Brushwall System treatment along with conventional drainage and road reinstatement.

- **Roads**, Granity and Pourakino Roads have blown out due to the construction of forestry roads (carting of rock etc) this has resulted in 57% of the 2017/18 budget being utilised as of August 2017.
- **Bridges,** Mataura Island, Titiroa Bridge has been reassessed due to some movement of the bridge. This is now restricted to 10% of class 1. This is still a safety risk if trucks ignore the posting. Roading are currently looking at options around replacing the bridge.

Financial

7 There were no outstanding 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 on schedule. The Project Status Report is attached.

9 Currently Roading has $1.7M in Minor Improvement projects tendered and at various stages of construction. The LED renewal project is waiting for final approval from NZTA with the procurement of the installation and total project expenditure waiting for approval from Services and Assets. The first of three drainage packages is currently underway with the project due for completion by the end October.

Recommendation

That the Services and Assets Committee:

a) Receives the report titled "Roading Operations August 2017" dated 20 September 2017.

Attachments

A Aug_Southroads H&S Report ⇩
B Aug_Combined A3 Reporting ⇩
C Aug_Fulton Hogan H&S Report ⇩
D Aug_Waimea ⇩
E Aug_Central ⇩
F Aug_Foveaux ⇩
G Aug_Project Status Report - Alternative Coastal Route Seal Extension ⇩

Item 8.3 Attachment A

SDC/ICC MAINTENANCE SAFETY PERFORMANCE AND STATISTICS - 2017/18

Lag Indicators

	Hours Worked		TRIFR	Personal Injury	Medical Treatment Injuries	Lost Time Injuries	Hours Lost	MTI Frequency Rate	LTI Frequency Rate	Plant/Property	3rd Party	Total
2017-18	11,349	YTD	0.0	2	0	0	0	0.0	0.0	1	2	5

2017-18 Hours Worked	Month	TRIFR	Personal Injury	Medical Treatment Injuries	Lost Time Injuries	Hours Lost	MTI Frequency Rate	LTI Frequency Rate	Plant/Property	3rd Party	Total
5,679	June 16/17	0.0	0	0	0	0	0.0	0.0	1	0	1
5,222	July	0.0	0	0	0	0	0.0	0.0	1	0	1
6,127	August	0.0	2	0	0	0	0.0	0.0	0	2	4

Lead Indicators

	Near Hit	Issue or Fault	Full Audit	TM Audit	Safety Tour	Toolbox	Total
YTD	5	3	14	2	8	0	32

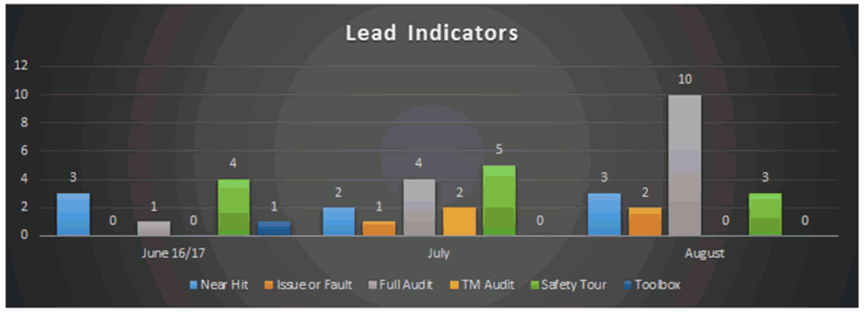
Month	Near Hit	Issue or Fault	Full Audit	TM Audit	Safety Tour	Toolbox	TOTAL
June 16/17	3	0	1	0	4	1	9
July	2	1	4	2	5	0	14
August	3	2	10	0	3	0	18

Commentary -

- Alliance Health and Safety Leadership workshop was held with Alliance leadership and Management Teams in August. Feedback from this workshop was positive and will provide direction in the development of the Alliance Health and Safety Plan and looking at integrating the SDC Alliance Management Team staff as part of Richarson Group vision of bringing everyone home safe each night.

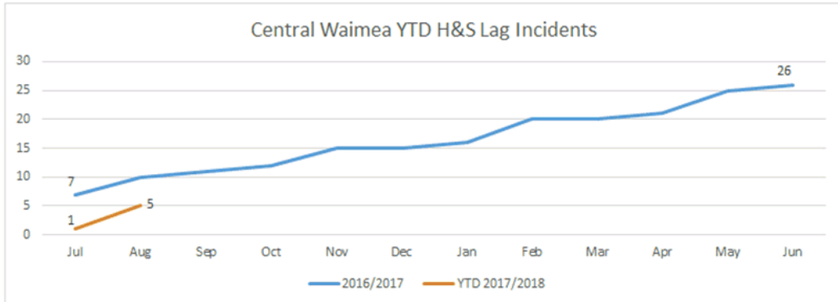
-13 Audits were completed for the month. This is a strong start to the year and will hopefully we will maintain this level of interacting with field staff.

-Near misses have dropped off significantly over the last few months this again will be emphasised through our ongoing engagement with field staff.



Incident Register

Date of Incident	Description	Event Type	Reported Date	Reporting Line	Investigation Status
22/08/2017	While grading uncovered a man hole hidden under gravel	Incident	23/08/2017	Central	Closed
17/08/2017	Subcontractor left Cemetary in poor conditions post burial	IOF	18/08/2017	Central	Closed
7/08/2017	Slipped off step on tractor	Incident	23/08/2017	Central	Closed
23/08/2017	Weld broke on flashing light pole on tandem trailor	IOF	7/08/2017	Waimea	Awaiting investigation
22/08/2017	Digger lost balance into small trench.	Near Hit	23/08/2017	Waimea	Awaiting investigation
21/08/2017	Ratepayer altercation on work site	Incident	22/08/2017	Waimea	Closed
18/08/2017	Working on cycle trail driving around dairy farm losing traction	Near Hit	22/08/2017	Waimea	Awaiting investigation
16/08/2017	Ute collided with a car in Lumsden carpark	Incident	18/08/2017	Waimea	Awaiting investigation
10/08/2017	Driving into mossburn towing roller slipped on road surface.	Near Hit	16/08/2017	Waimea	Awaiting investigation
9/08/2017	Roller tipped off the ATM Cycle Trail	Incident	10/08/2017	Waimea	Awaiting investigation



Definitions Lag Indicators:

Personal Injury *- physical injury inflicted to a person's body.*
Medical Treatment Injury *- is defined as an injury or disease that resulted in a certain level of treatment given by a physician or other medical personnel under standing orders of a physician.*
Lost Time Injury *- lost time accident is an accident occurring at work that results in at least one full day away from work duties. This does not count the day on which the injury occurred or the day on which the employee returns to the job.*
Plant/Property *- Incident involving plant or property.*
3rd Party *- Incident involving a 3rd party outside of SR.*
IOF *- For recording any other items such as missing hazard control, an issue that cause undesirable consequences, or procedure that needs improving.*

Definitions Lead Indicators:

Near Hit *- for any unplanned event where there was no consequences, but under slightly different circumstances, there would of been injury of damage*
Full Audit *- Full safety audit as per the SR safety audit form.*
Traffic Management Audit *- Audit as per COPTTM forms.*
Safety Tour *- Abbreviated safety audit as per safety tour form.*
Toolbox Meetings - is a formal group discussion that focuses on safety.

Item 8.3 Attachment B

Southland District Council ROADING Operational Overview - August 2017

ALLIANCE OPERATIONAL PERFORMANCE OVERVIEW

Key Result Area	Key Performance Indicators - KPI's	Waimea Alliance	Central Alliance	Foveaux Alliance	SDC Roading Commentary
CUSTOMER SATISFACTION	General Requests for Road Service (RFS's)	27	48	37	✓ Expected
	Roading Customers RFSs Contacted	27	47	37	✓ Expected
	Road Service Requests not completed on time	0	0	5	Foveaux - Admin error, not getting paperwork in
	Signage Service Requests	4	13	4	Central (high)
	Other Customer Support calls (In Addition)	4	20	3	Central (high)
	RFS Hours Spent	5	10	12	
NETWORK SAFETY & RISK	Road-Trip RCAMS Drive-by Performed twice	Aug	July	June	
	Smooth Travel Expsoure One Network Road Condition - Rural	97.3%	97.1%	95.9%	
	Smooth Travel Expsoure One Network Road Condition - Urban	86.1%	74.4%	83.3%	
	Road-Roid – Unsealed Baseline Target >90.%				
PROG Target	Quarterly (3 month) effective programme	On Target	On Target	On Target	✓
ROAD USER Survey & Comments	SDC internal survey, as completed	Baseline Ready	Baseline Ready	Baseline Ready	✓
	Complaints Made	0	0	0	
	Compliments Made	1	0	0	
H&S TEAM SAFETY	Medical Treatment Intervention - Required	Zero	Zero	Zero	✓
	Lost Time due to Injury	Zero	Zero	Zero	✓
	Near Missis	3	3	0	
	Site Safety Audits completed	7	9	August	
TEAM Well Being	Team Satisfaction - 3 monthly measure	87%	86%	99%	
	Team Harmony - 3 monthly measure	89%	87%	99%	
RAMM	Claim Costs Transferred to RAMM	May-17	May-17	Jun-17	

ALLIANCE ACTIVITY PROGRAMME RESULTS

Unsealed Activity Status:	Waimea Alliance	Central Alliance	Foveaux Alliance	SDC Roading Commentary
Non Reseal Stab m² Completed	0%	0%	0%	✓
Metaling Target m³	21,000	19,500	14,000	
Metaling m³ YTD	-	3,216	2,744	
Metaling %	0%	16%	20%	
Grading Month to Date km	425	824	280	
Grading Year to Date km	862	1,056	388	
Verge Spraying Unsealed %	0%	0%	0%	
Completed Noxious Spraying %	0%	0%	0%	
Completed Bridge Repairs %	Completing Inspections	Completing Inspections	Minor deck cleaning	
Completed Drainage repairs %	1 Full Drainage Crews Operating	Ongoing	Ongoing	
Sealed Activity Status:	**Waimea Alliance**	**Central Alliance**	**Foveaux Alliance****	**SDC Roading Commentary:**
17/18 Pre-Reseal Sites Ready for inspection	23 of 30 (77%)	55 of 74 (74%)	38 of 49 (78%)	✓
17/18 Pre-Reseal KM's for inspection	21.5 of 32.6	47.45 of 59.62	39.6 of 64.49	✓
Depressions (m²) Program QTY	2,200	8,256	670	✓
Depressions (m²) Completed	2,200	5,287	2,216	Foveaux - under scheduled & more work required on some sites
Depressions (m²) Completed %	100%	64%	331%	✓
Edge Breaks (m) Program QTY	9,122	6,302	13,089	✓
Edge Breaks (m) Completed	9,122	5,345	9,491	✓
Edge Breaks (m) Completed %	100%	85%	73%	✓
Stabilisations (m²)Program QTY	3,114	4,966	2,055	✓
Stabilisations (m²)Completed %	100%	100%	100%	✓
				** Foveaux data as of June.

RISK AND STRATEGY UPDATE

Risks	Waimea	Central	Foveaux
Roads	**Sinclair Road (Te Anau),** Otta Seal breaking up.	**Otapiri Gorge & Shand Road,** Very intensive Logging having impact on Road. Overlay, earth works have commenced.	**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.
	Ramparts Road, Passed onto SDC Roading to look at interventions.	**Granity and Pourakino Roads,** Road blow-outs have occurred due to the construction of forestry roads. Have run metal and keeping an eye on these, currently they are holding.	**Mataura Island, Titiroa Bridge,** Signposted and reduced to 10% of class 1, still a safety risk if trucks use it.
	Claycrete Sites (Lintley & Chewings Road), Monitoring of these sights continues.		
Slips	**Ohai Clifden Hwy,** Levelling in March. Passed onto MWH to look at long term solutions	**Colac Bay Foreshore,** Closed to further notice. With the SDC roading team.	**Waikawa Curio Bay Rd,** Waikawa & Sea walls – potential risk identified – monitor
	Whitecoomb Road, Road slipping	**Bluebottle Road Slip Movement,** Signs up and monitoring movement. This sight has moved again significantly. Roading team are investigating.	**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.
			Waiarakiki Mimihau Rd, Temp repairs holding well, approval for permanent repairs being worked on. Significant increase in heavy traffic in the area.
Strategic	**IPAA to PAA,** Plans which are suggested to be completed include: Alliance Quality Plan, Alliance H&S Plan, Performance Framework in place and a Risk Register and controls. These are now advancing.	**IPAA to PAA,** Plans which are suggested to be completed include: Alliance Quality Plan, Alliance H&S Plan, Performance Framework in place and a Risk Register and controls. These are now advancing.	**Non Maintained Roads,** In RAMM but have not been maintained in the past (28km), at $30K/km this represent $800K risk to follow up on agreement and update RAMM.
	Culvert / Structure Assets, A more advanced inspection programme of culverts to be discussed as part of the Quality Plan. Workshop to be organised with Consultants around Structures management.	**Culvert / Structure Assets,** A more advanced inspection programme of culverts to be discussed as part of the Quality Plan. Workshop to be organised with Consultants around Structures management.	
	Forestry Activity (Road capability) - We note the likelihood of increased forestry activity over the coming years. We will work closely with the SDC Roading Team in developing responses.	**Forestry Activity (Road capability)** - We note the likelihood of increased forestry activity over the coming years. We will work closely with the SDC Roading Team in developing responses.	
Hot Summary			

CUSTOMER SERVICE MANAGER REPORTS

Waimea Alliance:

We received 31 RFS's for the month of August. Only four of these were signs which is very low. Most of the RFS's come in to the council as "potholes and corrugations" but some of these referred to lack of gravel or mud on the road. It is that time of year when it looks like there is no gravel on road but in fact it is the material that has bound up and gives a smooth surface. Another couple of the RFS's were for vegetation issues that had since been dealt with. There were also a few RFS's for debris on the road which was a mixture between glass and mud on the road.

Central Alliance:

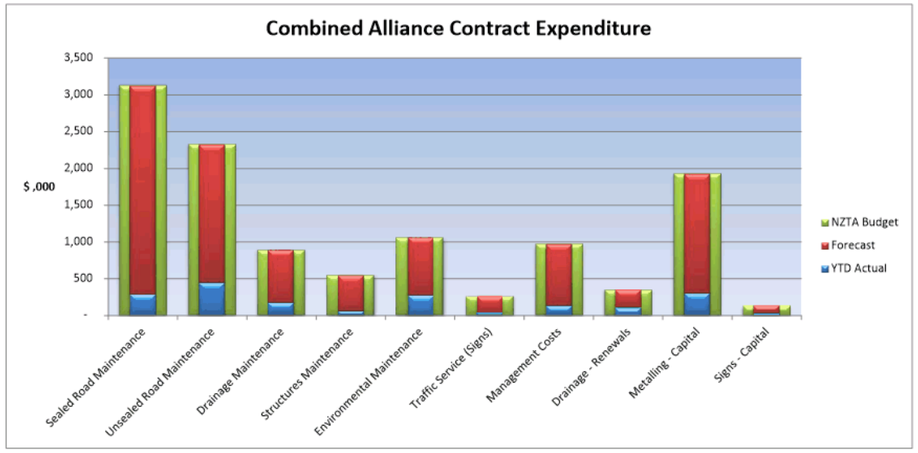
The RFS's were higher this month, some of it was due to the weather allowing tractors to start agricultural work in paddocks that resulted with the roads getting muddy. A few for culverts as well. We are seeing more off this now with farmers grazing the roads sides and also moving high stock numbers. This is becoming a very costly issue to the SDC.

Foveaux Alliance:

A typical August month for RFS response with the weather being just enough of a mixture of rain and sunshine to ensure there was potholes and corrugations but that our graders could spend more time getting the roads up to scratch. I am having difficulty getting hold of most people lately and finding more times than ever that I am having to leave messages. Robert and I have spoken to a few people lately about the grading programme and how it works and we are seeing a real decrease in complaints about regular grading and more focused towards issues with grading e.g. corrugations after grading and/or washouts from the rain.

Item 8.3 Attachment B

FINANCIAL SNAPSHOT

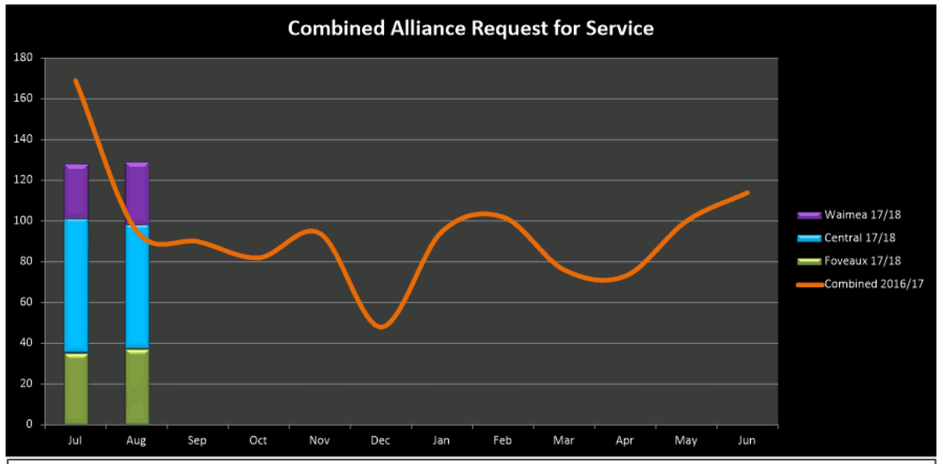


2017/18 expenditure in maintenance is within 5.36% of NZTA budget YTD. Year to date Capital expenditure in the Alliances is within -10.55% of the NZTA budget. Total combined expenditure is within 2.01% of the NZTA budget.

16.7% of the year completed.

Activity	NZTA Funding	Actual	% Completed
Total Sealed Roads	3,133,853	293,536	9%
Total Unsealed Roads	2,326,912	450,657	19%
Total Drainage	890,642	171,187	19%
Total Structures Maintenance	549,880	61,610	11%
Total Environmental Maintenance	1,058,257	271,529	26%
Total Traffic Service (Signs)	268,503	44,394	17%
Total Management Costs	973,752	135,289	14%
Total Maintenance	**9,201,799**	**1,428,201**	16%
Total Metalling	1,934,703	307,913	16%
Total Drainage	350,589	110,644	32%
Total Signs	134,057	27,191	20%
Total Renewals	**2,419,349**	**445,748**	18%
Total NZTA Funded Programme	**11,621,148**	**1,873,949**	16.1%

REQUEST FOR SERVICE SUMMARY



Combine requests for service for Aug were 129 compared with 95 for the same period last year. Total for 17/18 combined RFS 257 compared with 264 for 16/17.

UPCOMING ITEMS

IPAA to PAA	Continuing to work through the process with the Alliance's.
KPI - RAMM ACCURACY	NZTA Technical Audit highlighted the need for a KPI in relation to RAMM and if this is up to date each month (to be developed). Working through the process presently.
Alliance Establishment	Currently in the process of developing establishment teams who will create the Maintenance Intervention Strategy, Quality Plan, Total Cost Estimate etc.

Item 8.3 Attachment C

People First Southland District Council Te Rohe Pōtae O Murihiku

Foveaux Safety and Training Report 17/18

Foveaux Alliance

Safety Statistics

	YTD	July-17	Aug-17	Sept-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	June-18
Hours Worked - FH Southland	44,237.41	24,375.15	19,862.26										
Hours Worked - Foveaux	5,942.41	3,165.45	2.776.96										
TRIFR – Regional (Total Recordable Injury Frequency Rate)	16.2	16.14	16.2										
LTI (Lost time Injury) Regional	1	1	0										
MTC(Medical Treatment Case) Regional	0	0	0										
MTC(Medical Treatment Case) Foveaux	0	0	0										
FAC First Aid Case) Regional	0	0	0										
FAC (First Aid Case) Foveaux	0	0	0										
NEAR MISS – Regional	3	2	1										
SITE AUDIT VISITS (Pass/Fail)	0	PASS	-	DUE	-	DUE	-	DUE	-	DUE	-	DUE	-
Worksafe Site Visits - Regional	0	0	0										

Incident / Improvement Explanation

Safety and Quality Team Commentary

The Foveaux Alliance team and the Region have had a good month in regards to Health and Safety. Near Miss reporting is still low over the whole Region and while we encourage staff to report there is a reluctance to do so. We continually look at ways to make reporting easier for staff including encouraging them to ring near misses in to a central point. We continue to try and improve this area while ensuring reporting is honest and relevant and not just the sake of reporting.

Asbestos checks have been carried out on all the Regions buildings and operations with samples having been taken and sent away for analysis after which a management plan will be put in place where required.

Training Statistics

	YTD	July-17	Aug-17	Sept-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	June-18
Hours in Training - FH Southland	919	504	415										
Hours in Training - Foveaux	88	56	32										

Training Completed This Month	Training Completed 2017 / 2018	
Envirowise Growsafe STMS StaySafe Civil Passport Driver Licence Training Rural Fire Training	First Aid New & Refresher Courses Locating and Protecting Underground Services Forklift OSH Refresher Asbestos Awareness Envirowise Growsafe STMS StaySafe Civil Passport Rural Fire Training	

ZERO HARM is our safety target

STAY SAFE

What am I doing? What could go wrong? How could I do it safer?

Waimea alliance

Summary Report August 2017

PERFORMANCE

EFFECTIVENESS	RFS	Number of Sign RFS's	Monthly	4
		Total number received since last report cycle (Excluding Signs)	Monthly	27
		# Not completed on time within the required timeframe	Monthly	0
		# Customers contacted (where possible excluding signs)	Monthly	27
		# Non-performance related - where we provide customer support (e.g. farmers mess, incident response etc.)	Monthly	4
		RFS Contract Management Resource (hours)	Monthly	5
	CONDITION RATING	Road Trip	Monthly	Waikaia area and Te Anau Township
		Roadroid	Annual	TBC
		Roadroid	Monthly	Roadroid Completed
	PROGRAMME	3 month effective programme	Quarterly	On-going

				Month	YTD
PEOPLE / CULTURE	TEAM SAFETY	Medical Treatment Intervention - #	Monthly	0	0
		Lost Time Injury - #	Monthly	0	0
		Near Miss/IOF	Monthly	3	3
		Safety Audits/Tours completed	Monthly	7	7
	TEAM HEALTH / AMT	Satisfaction - 3 monthly measure	Quarterly	86.5%	
		Team Harmony - 3 monthly measure	Quarterly	88.75%	
	ROAD USER SATISFACTION	SDC survey, as completed	As Completed		
		# complaints (not normal RFS') vs. compliments	Monthly	0 Complaints 1 Compliments	0 Complaints 2 Compliments

Quite a mild August in comparison to the previous months so hopefully Spring is just around the corner. Paddocks are going to be drying out and tractors will be ploughing at any time. Dust is starting to fly behind you when you go travel down a gravel road so we can almost say goodbye to the long cold and wet winter.

The drainage crew is firefighting a little at the moment trying to catch up on what is programmed prior to finishing off the cyclic water channel cleaning and culvert cleaning. They have to complete Five Rivers Ward and then move into the Tuatapere Ward. We envisage this will take the rest of the financial year with other work popping up also.

As outlined in the identified risks table below we have been making very minor repairs to a slip on the Whitecoomb Road. This Road has ever potential to disappear any time after a flood. The slip is around 40m in length and there is no easy fix but we suggest it is just left until it does go and work out a strategy from there. The AMT are fully aware of the situation and felt it would be best to wait at this stage. The approaches at either end where the slip had dropped maybe 150-200mm has been level and every attempt to seal off any cracking has been done.

Spraying should potentially be starting in September but the road shoulders have not got a lot of vegetation as yet so we are holding off. We may even consider just the one spray on unsealed roads and could look at putting this saving into a three round cycle on the sealed road network.

The premix work is completed now with all sites potentially ready to be released to Southland District Council. I have had a fault inspector go around the sites first and sign off the checklist. There have been a couple of sites that have had pavement repairs appear so these are programmed and there is one site in Mossburn that needs sealed between the carriageway and footpath to prevent heavy machinery creating potholes. The plan is to have this completed by December.

Signs continue to be inspected, installed and upgraded on a cyclic regime. The sign cleaning and post water blasting will happen over the next few months as the weather and temperatures allow.

Township work continues and project work continues to be priced especially in Lumsden where applications have been made for additional funding from Central Government to redevelop the Freedom Camping Area around the Railway Station.

PROGRESS

Item	% Completed	Comments
Non-Reseal Stabs	0 %	Fault Inspector to identify.
Maintenance Metaling (21,000m³)	0 m³	0 m³ YTD
Grading (400km target)	425 km (MTD) 862 km (YTD)	2 graders
Verge Spraying	0 %	Due to start late September
Noxious Spraying	0 %	Due to start October
Bridge Repairs	In progress	Completing Inspections
Drainage Repairs		1 Drainage Crew working on emergency repairs in conjunction with Cyclic work.

17/18 Pre Reseal Repairs - 30 of the 30sites (100%) are marked up and ready for work to begin. 23 of the 30 (77%) site have been released for inspection. This equates to 21.5 Km out of a possible 32.6km released.

Activity	Prog Qty	Comp Qty	Remaining Qty
Depressions (m²)	2,200	2,200 (100%)	0 (0%)
Edge Breaks (m)	9,122	9,122 (100%)	0 (0%)
Dig Outs (m²)	0	0	0
Stabilising (m²)	3,114	3,114 (100%)	0 (0%)
WCC (m)	0	0	0

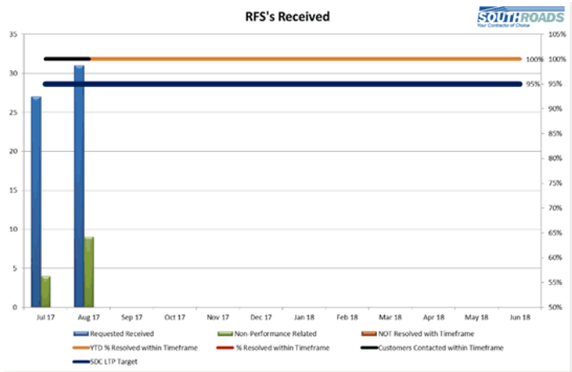
RISK & STRATEGY UPDATES

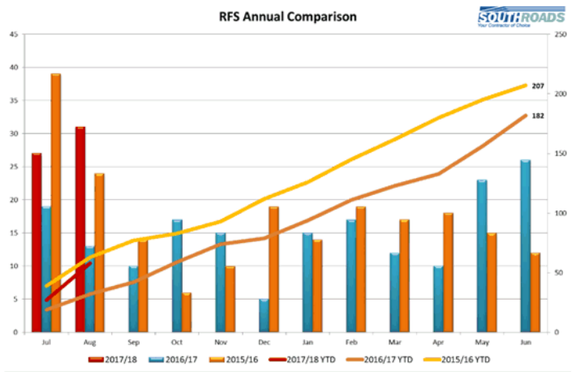
	Identified Risks	Update
Roads	Sinclair Road (Te Anau) – Otta Seal breaking up	AMT will monitor this site.
	Ramparts Road – Ongoing issues	Passed onto SDC Roading to look into interventions. Options to be considered underway.
	Claycrete sites. (Lintley and Chewing's Road) – Product performance	Monitoring roads at the moment.
Slips	Whitecoomb Road – Road slipping	40m Slip about the 2km mark. AMT monitoring.
	Ohai Clifden Hwy	Levelling in March. Passed onto MWH to look at long term solutions
Strategic	IPAA to PAA	Plans which are suggested to be completed include: Alliance Quality Plan, Alliance H&S Plan, Performance Framework in place and a Risk Register and controls. These are now advancing. Targeting completion of documents by 30/09.
	Culvert/Structure Assets	A more advanced inspection programme of culverts to be discussed as part of the Quality Plan. Workshop to be organised with Consultants around Structures management.
	Forestry Activity – Road capability of heavy traffic on 'fringe network roads.	We note the likelihood of increased forestry activity over the coming years. We will work closely SDC Roading Team in developing responses.

CUSTOMER SERVICE MANAGER REPORT

We received 31 RFS's for the month of July. Only four of these were signs which is very low. Most of the RFS's come in to the council as "potholes and corrugations" but some of these referred to lack of gravel or mud on the road. It is that time of year when it looks like there is no gravel on road but in fact it is the material that has bound up and gives a smooth surface. Another couple of the RFS's were for vegetation issues that had since been dealt with. There were also a few RFS's for debris on the road which was a mixture between glass and mud on the road.

RFS GRAPHS





Item 8.3 Attachment D

MONTHLY AUDIT RESULTS –

Over the next months we will commence 'All Faults Inspection' process. This is in response to the 80/20 principle and adopting a Just in Time intervention approach. We will work on developing processes in the planning and doing of work also over the coming months.

As part of the Quality Plan development process we are reviewing the 10% Audit process.

GOLD STAR INITIATIVES -

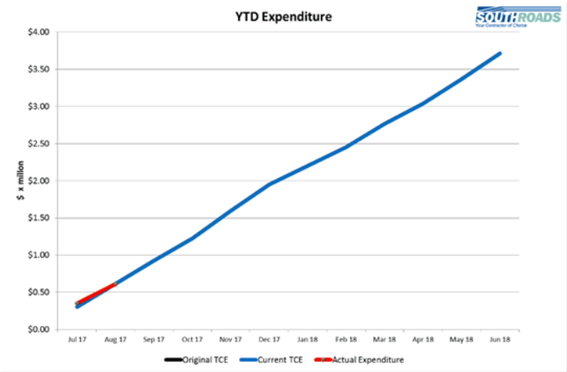
SouthRoads have put a suggestion to SDC to save money on seasonal signs installations by modifying them to folding signs. After the initial investment there is potential to save $8,000 per year on this activity.

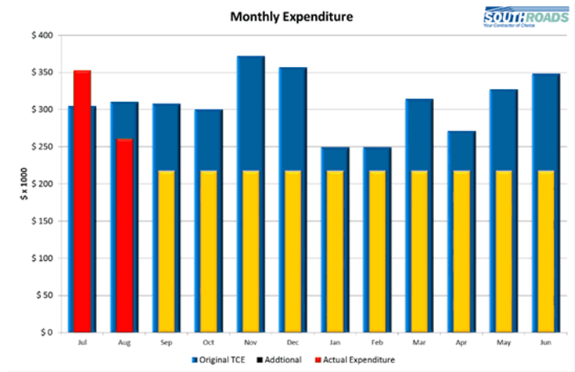
The A3 report concept has been adopted by the Waitaki Maintenance Contract this has received great feedback from stakeholders.

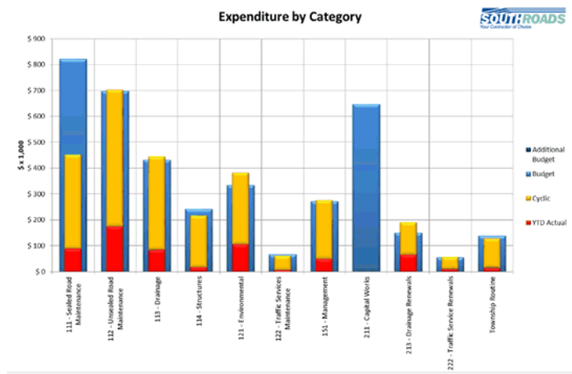
ALT ACTIONS -

1. 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 Waimea sites that are at risk with significant financial implications.

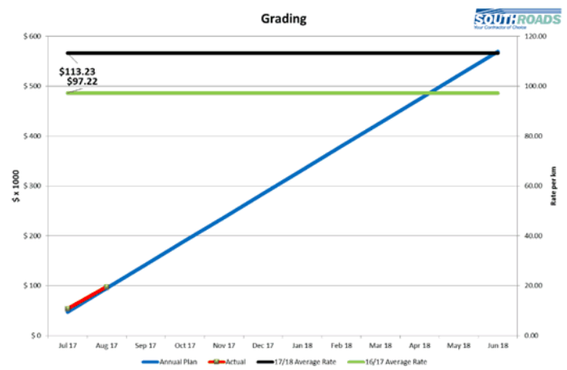
FINANCIAL GRAPHS

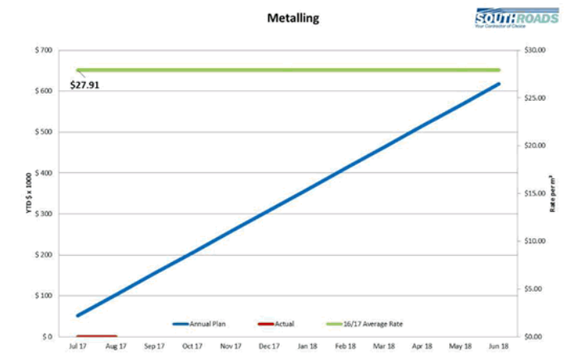


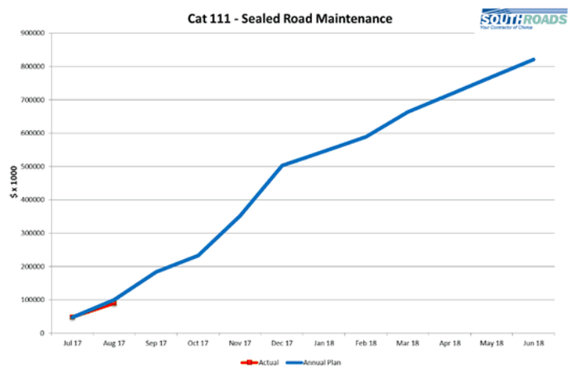




KEY PERFORMANCE INDICATOR GRAPHS







FINANCIAL SUMMARY

NZTA Subsidised Summary	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Original TCE	305,177	310,701	307,878	300,620	371,972	357,028	249,583	249,583	314,451	271,523	327,407	348,307	3,714,231
Addtional	0	0	0	0	0	0	0	0	0	0	0	0	-
Current TCE	305,177	310,701	307,878	300,620	371,972	357,028	249,583	249,583	314,451	271,523	327,407	348,307	3,714,231
Actual Expenditure	353,051	260,726	0	0	0	0	0	0	0	0	0	0	613,777
Remaining Cyclic	0	0	217,632	217,632	217,632	217,632	217,632	217,632	217,632	217,632	217,632	217,632	2,176,323
Projected Expenditure	353,051	260,733	217,636	217,632	217,632	217,632	217,632	217,632	217,632	217,632	217,632	217,632	2,790,112

FINANCIAL COMMENTARY

The year completed expenditure is $646,464. The claim for the month was $285,297. (Including township works) and consisted of mainly routine activities along with drainage. Spot metaling and Environmental Maintenance expenditure also took a hit primarily in response to the winter events.

Summary Report –August 2017

PERFORMANCE

EFFECTIVENESS	RFS	Number of Sign RFS's	Monthly	13
		Total number received since last report cycle (Excluding Signs)	Monthly	48
		# Not completed on time within the required timeframe	Monthly	0
		# Customers contacted (where possible excluding signs)	Monthly	47
		# Non-performance related - where we provide customer support (e.g. farmers mess, incident response etc.)	Monthly	20
		RFS Contract Management Resource (hours)	Monthly	10
	CONDITION RATING	Road Trip	Monthly	Annual Audit Completed
		Roadroid	Annual	Annual Audit Completed
		Roadroid	Monthly	Annual Audit Completed
	PROGRAMME	3 month effective programme	Quarterly	On-going.

				Month	YTD
PEOPLE / CULTURE	TEAM SAFETY	Medical Treatment Intervention - #	Monthly	0	0
		Lost Time Injury - #	Monthly	0	0
		Near Miss/IOF/Incidents	Monthly	3	4
		Safety Audits/Tours completed	Monthly	9	13
	TEAM HEALTH / AMT	Satisfaction - 3 monthly measure	Quarterly	86% (June)	
		Team Harmony - 3 monthly measure	Quarterly	87% (June)	
	ROAD USER SATISFACTION	SDC survey, as completed	As Completed		
		# complaints (not normal RFS') vs. compliments	Monthly	0 Complaints 0 Compliments	0 Complaints 0 Compliments

August's weather was certainly settled. We had a few hard frosts at the start of the month but other than that we were able to carry out most activities that was suited to Autumn weather.

The graders have had a good hit over the beat and the gravel network has held up well overall. The logging routes on Pourakino and Otapiri Gorge are staring to settle down with the extra material we ran on site. By doing this we have minimised the areas to be dugout. This has given us a good saving grace. We did however put extra grading resource into those logging areas to which has concluded significant expenditure and km completed this month.

We foresee the need for more Unsealed Area Wide funding and could be an ongoing issue over the next few years as we expect more forestry activity. We have captured this as a risk.

The pre-mix crew is back on the beat continuing with reseal repairs. We have two rural roads to complete and some town streets. We are still waiting on a decision on Avondale Road as to whether this crew is to address the issues. We are keen to get this information as soon as possible as we are wanting to meet our target dates for release with this large programme.

The digger has been verge cleaning on reseal sites as well as addressing some drainage issues on the beat. In spring when water levels recede we have a large culvert on Ward Road to address as it is showing signs of weakening. This large culvert replacement is a big job and is 2.5 meters deep.

We are working with the SDC Roading Team on solutions for the Blue Bottle Slip. We have noted the culvert that catches the water has come apart and our belief is that this is the root cause. We are having a meeting on site to come up with the right solution for this task.

PROGRESS

Item	% Completed	Comments
Non-Reseal Stab's	0m2 (0%)	900 m2 Marked out and continuing
Metalling (19,500m³)	16%	3,216m³ Completed
Grading (400 km target)	60%	824MTD 1056km YTD
Verge Spraying	0%	Start in Spring
Noxious Spraying	0%	Starting Summer.
Bridge Repairs	On Going	Inspection / Repairs in Progress.
Drainage Repairs		On-going.

1st Reseal Target Release 75% Prior October
17/18 Pre Reseal Repairs 55 of the 74 sites (74%) are fully completed for inspection remaining repairs left are listed below. 47.447 kms completed from Total 59.624kms
Please note four additional sites just added. June 2017

Activity	Programme Qty	Completed Qty	Remaining Qty
Depressions m²	**8,256m2**	5,287 (64%)	2,969
Edge Breaks m	**6,302m**	5,345 (85%)	948
Dig Outs m²	**30m2**	30 (100%)	0
Stabilisation m²	**4,996 m2**	4,996(100%)	0
Verge Cleaning m	**13,246m**	13,296 (100%)	0

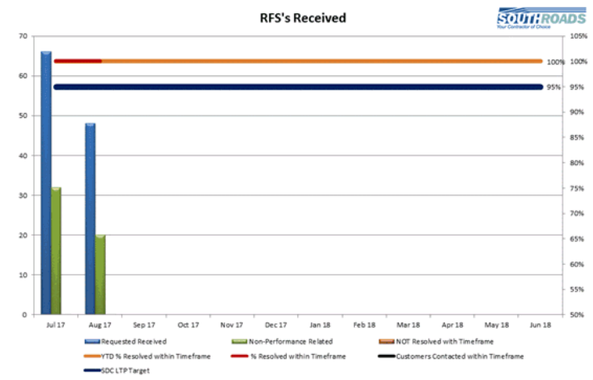
RISK & STRATEGY UPDATE

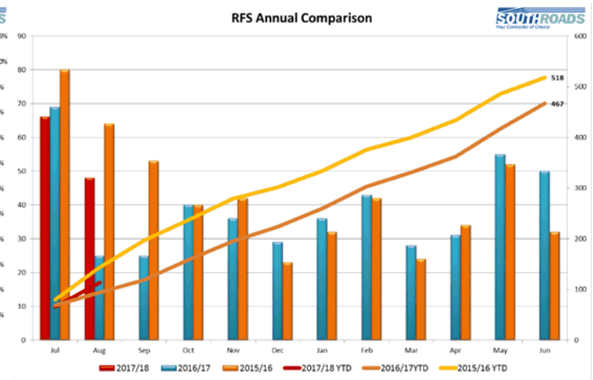
	Identified Risks	Update
Roads	Otapiri Gorge and Shand Roads Sealed Section	Very intensive logging having impact on road. Overlay has commenced.
	Granity and Pourakino Roads	Road blow–outs have occurred due to construction of Logging activity. Have run metal and keeping eye on, Roads are holding.
Slips	Bluebottle Road Slip Movement	Signs up and monitoring movement. Working with roading Team at solutions.
	Colac Bay Foreshore	Closed to further notice. With the Roading Team.
Strategic	IPAA to PAA	Plans which are suggested to be completed include: Alliance Quality Plan, Alliance H&S Plan, Performance Framework in place and a Risk Register and controls. These are now advancing. Targeting completion of documents by 30/09.
	Culvert/Structure Assets	A more advanced inspection programme of culverts to be discussed as part of the Quality Plan. Workshop to be organised with Consultants around Structures management
	Forestry Activity – Road capability of heavy traffic on 'fringe network roads.	We note the likelihood of increased forestry activity over the coming years. We will work closely SDC Roading Team in developing responses.

CUSTOMER SERVICE MANAGER REPORT

The RFs where higher this month, some of it was due to the weather allowing tractors to start agricultural work in paddocks that resulted with the roads getting muddy. A few for culverts as well. We are seeing more off this now with farmers grazing the roads sides and also moving high stock numbers. This is becoming a very costly issue to the SDC.

RFS GRAPHS





Item 8.3 Attachment E

MONTHLY AUDIT RESULTS

Over the next month we will commence 'All Faults Inspection' process. This is in response to the 80/20 principle and adopting a Just in Time intervention approach. We will work on developing processes in the planning and doing of work also over the coming months.

As part of the Quality Plan development process we are reviewing the 10% Audit process.

GOLD STAR INITIATIVES

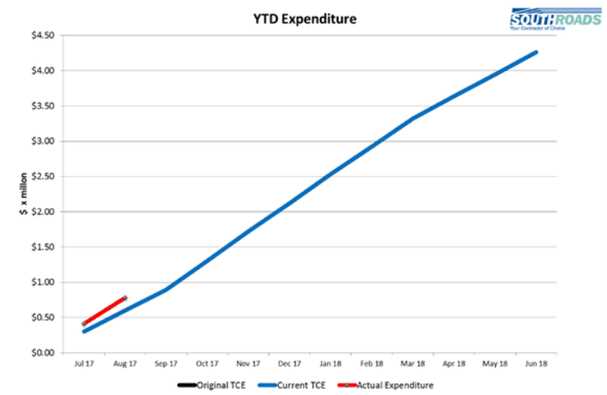
Set up Winton office to include SDC staff for Operational and Hot Seat Activities. This has been particularly successful in enabling a work environment that is more engagement and contributed to improved and timelier decision making.

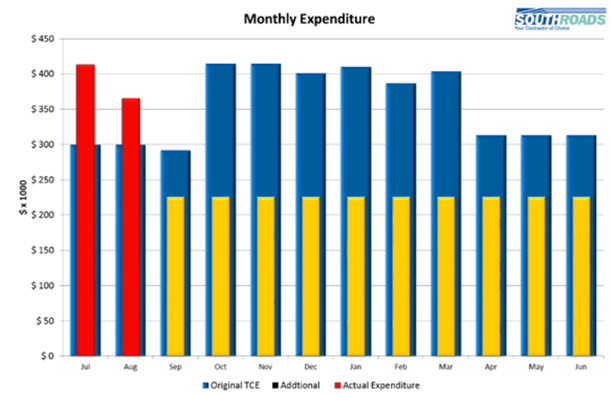
The A3 report concept has been adopted by the Waitaki Maintenance Contract this has received great feedback from stakeholders.

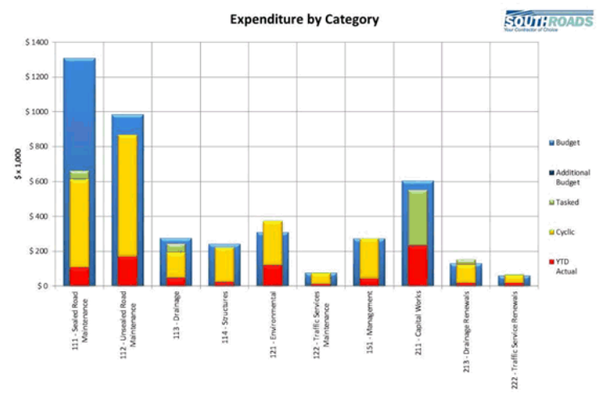
ALT ACTIONS

1. 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.

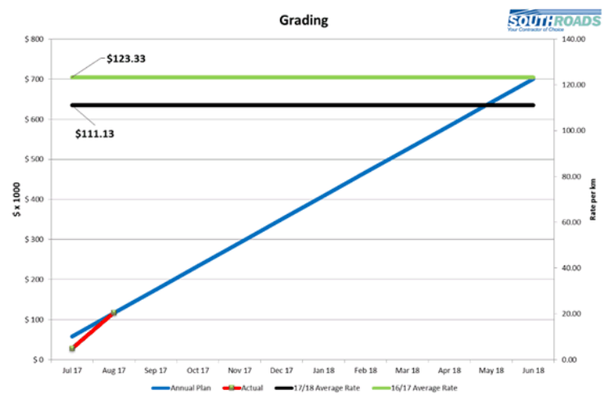
FINANCIAL GRAPHS

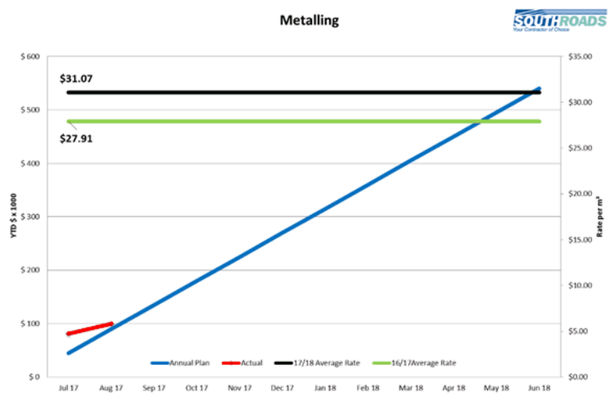


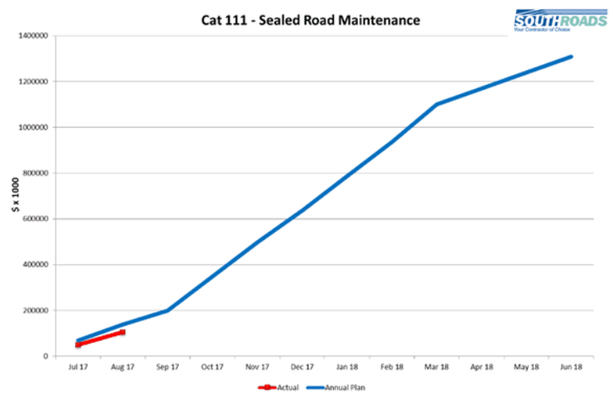




KEY PERFORMANCE INDICATOR GRAPHS







FINANCIAL SUMMARY

NZTA Subsidised Summary	Ann Amt	Error	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total	Remaining	%age Remaining
Original TCE	4126115.19	0.00	299,716	299,716	291,867	414,894	414,894	401,123	410,051	387,175	403,952	313,070	313,070	313,070	4,262,596		
Addtional			0	0	0	0	0	0	0	0	0	0	0	0	-		
Current TCE			299,716	299,716	291,867	414,894	414,894	401,123	410,051	387,175	403,952	313,070	313,070	313,070	4,262,596		
YTD Revised TCE			299,716	299,716	0	0	0	0	0	0	0	0	0	0	599,431		
Actual Expenditure			413,348	365,458	0	0	0	0	0	0	0	0	0	0	778,806	3,483,790	82%

FINANCIAL COMMENTARY
The claim for the month was $397 323. Year to date expenditure is $836 736 (including township work). Work completed was routine with unsealed AWPT and Ice Gritting budgets exceeding their limits.

Item 8.3 Attachment F

People First
Southland District Council
Te Rohe Pōtae O Murihiku

Summary Report –August 2017

FOVEAUX ALLIANCE

PERFORMANCE

EFFECTIVENESS	RFS	Number of Sign RFS's	monthly	4
		Total number received since last report cycle (Excluding Signs)	monthly	33
		# Not completed on time within the required timeframe	monthly	5 (*administration error, not getting paperwork in on time)
		# Customers contacted (where possible)	monthly	37
		# Non-performance related - where we provide customer support (e.g. farmers mess, incident response etc.)	Monthly	3
		RFS Contract Management Resource (hours)	monthly	12
	CONDITION RATING	RCAMS	6 monthly	Completed June 2017
		HSD	Annual	-
	PROGRAMME	Activity Calendar	Quarterly	All on track

				MTD	YTD
PEOPLE / CULTURE	TEAM SAFETY	Medical Treatment Intervention - #	monthly	0	0
		Lost Time Injury - #	monthly	0	0
		Near Miss/OFI - #	monthly	0	0
		Site Safety Audits	As completed	Next due August	
	TEAM HEALTH / AMT	Satisfaction - 3 monthly measure	Quarterly	99% - New contract!	
		Team Harmony - 3 monthly measure	Quarterly	99% - New Contract!	
	ROAD USER SATISFACTION	SDC survey, as completed	As completed	0	0
		# complaints (not normal RFS') vs. compliments	Monthly	0 Complaints 0 Compliments	0 Complaints 1 Compliments

August has been a fairly typical month with everyone focused on their programmes. We have had the grader drivers catching up on their programmes after a wet and frosty July. The heavy maintenance crew has done a lot of pre-reseal repairs with just 400m2 of Stabi repairs to complete before we are 100% complete for this season. Jackalyn is due to start spraying mid-September - due to mechanical upgrading of her equipment we are running a week or so behind and the cyclic crew is steadily keeping pace with their routine maintenance and signs repairs.

With Jackalyn starting back on spraying, we have a young man who has started with the ICC maintenance contract who we will share to complete our township routine works, e.g. toilets, bins, playgrounds and cemetery as well as any kerb and channel work which will be required.

Tony in the drainage crew has been hard at work clearing water tables, removing flaxes in problem areas and replacing some old culverts and pipes, he will continue on his programme throughout the month and is fairly self-sufficient.

We have recently regretfully received a resignation from our grader driver Kevin who is moving back to Taupo to be with his family, he will leave a gap in the crew but we are hoping to fill the gap quickly with an experienced operator.

Dave and Rodney have been working hard to programme and organise work for the crews and have been re-prioritising work to ensure we are efficient with the programmes.

A full audit of unsealed roads has now been completed with results sitting with the Roading Team to put recommendations through to council, our "non-maintained list has increased from 28km to 43km in Total – again this represents no real change in LoS and should be a confirmation process.

PROGRESS

Item	Completed	Comments
Non-Reseal Stabi's	0	Building new programs as per agreed MIG
Metalling	1504.5m3 mth, 2744m3 YTD	Programmed work
Grading	280km mth, 388km YTD	Getting back to programme
Verge Spraying	0	Starting approx. 1/09/17
Noxious Spraying	0	Starting approx. 1/10/17
Bridge Repairs	0	Minor deck cleaning over winter
Drainage Repairs	0	General water table cleaning

18 / 19 - Pre Reseal Repairs: (17/18 sites only 400m2 stabis to go well on target for 100% by 1st October)

Activity	Original Prog Qty	Comp Qty	Remaining Qty
Depressions (Levelling) m²			
Edge Breaks/low shoulder m			
Clear watertables m			
Stabilisation m²			
Hi Lipping m			
17/18 site			

RAMM Update
RAMM data is all updated up to the end of the old Contract.

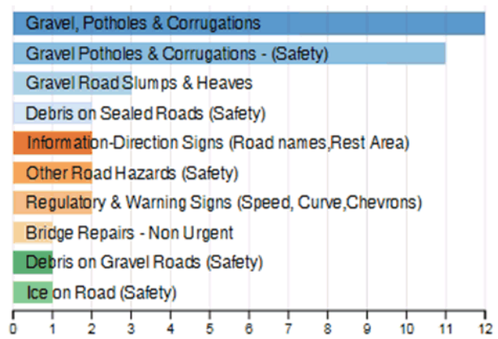
RISK & STRATEGY UPDATES

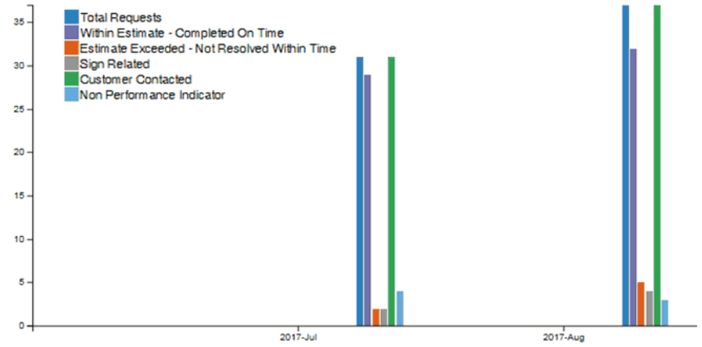
	Identified Risks	Update
Roads	Waimahaka Fortification Road	Previous FWD testing indicates high risk for first 4km. Most of this was resealed 13/14 season & is holding up well – ongoing monitoring.
	Mataura Island Titora Bridge	Signposted and reduced to 10% class 1, still a safety risk if trucks use it.
Slips	Waikawa Curio Bay Rd	Waikawa & Sea walls – potential risk identified – monitor
	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).
	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.
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.

SUPERVISIOR – CUSTOMER RELATIONS

A typical August month for RFS response with the weather being just enough of a mixture of rain and sunshine to ensure there was potholes and corrugations but that our graders could spend more time getting the roads up to scratch. I am having difficulty getting hold of most people lately and finding more times than ever that I am having to leave messages. Robert and I have spoken to a few people lately about the grading programme and how it works and we are seeing a real decrease in complaints about regular grading and more focused towards issues with grading e.g. corrugations after grading and/or washouts from the rain.

RFS GRAPHS - RFS TOTAL BY TYPE AND YEAR TO DATE TYPE OF REQUESTS





Item 8.3 Attachment F

FINANCIAL REPORT

The claim for the month was $315,939.80

Year to date expenditure is $524,248.32

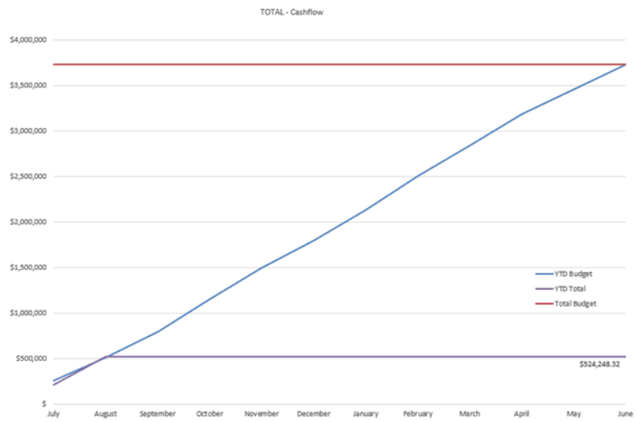
GOLD STAR INITIATIVES

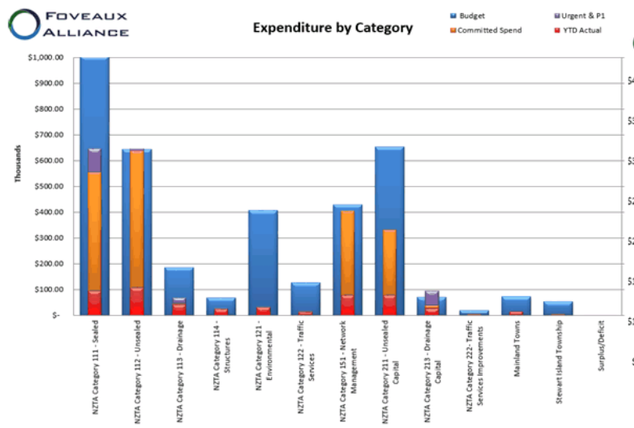
- ✓ Toilet signage to reflect when last cleaned and next clean due - less vandalism reported from crew!
- ✓ Vehicle locations to be added to Visability

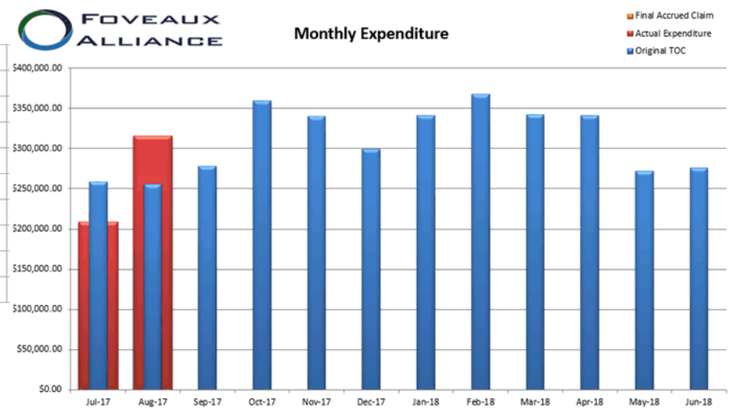
AMT ACTIONS

1. Complete rest of network video
2. Full programme completion vs new MIG guidelines

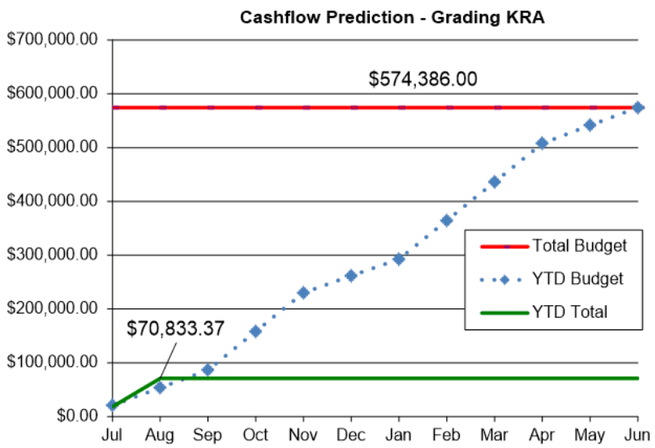
FINANCIAL GRAPHS

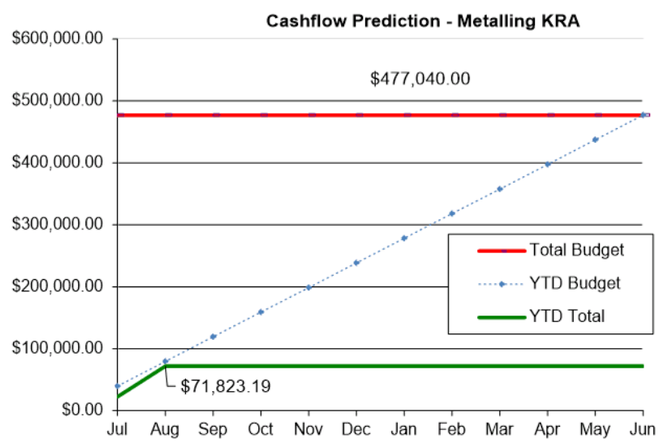


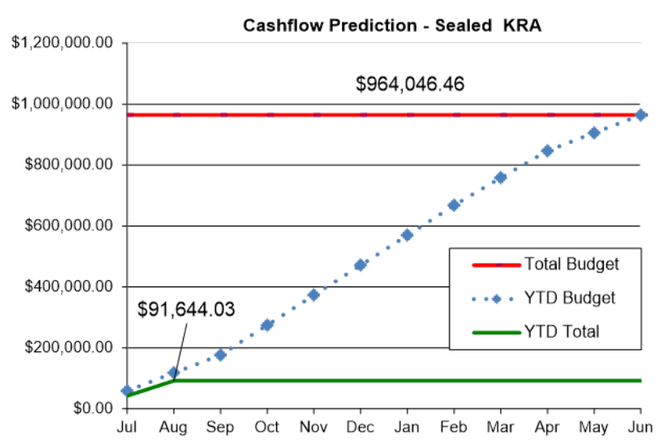




KEY PERFORMANCE INDICATOR GRAPHS







Item 8.3 Attachment G

Project Status Report

Project Name	Alternative Coastal Route Seal Extension
Project Work Order	16092
Project Team	Hartley Hare, James McCallum, Dylan Rabbidge
Status Date	7/09/2017

Earthworks and drainage works are now 100% complete for Slope Point Road. AP65 is being placed over the existing road and excavated surfaces now that construction is underway on Slope Point Road. Exacavation and drainage works have now commenced on the main route starting at the Otara end of site (approx. 5% completed at month end on this section). Weather has been a mixed bag again for August, really wet periods with windows of fine weather, which has resulted in slightly hindered progress as expected. Traffic volumes are starting to increase on the project as we get closer to the tourist season.

Project Health & Safety

Team Safety	MTD	PTD
Medical Treatment Intervention	-	-
Lost Time Injury	-	-
Near Miss	-	-
Safety Audit (including Traffic Management) - SDC	12 (7x SDC, 5X TRC)	25

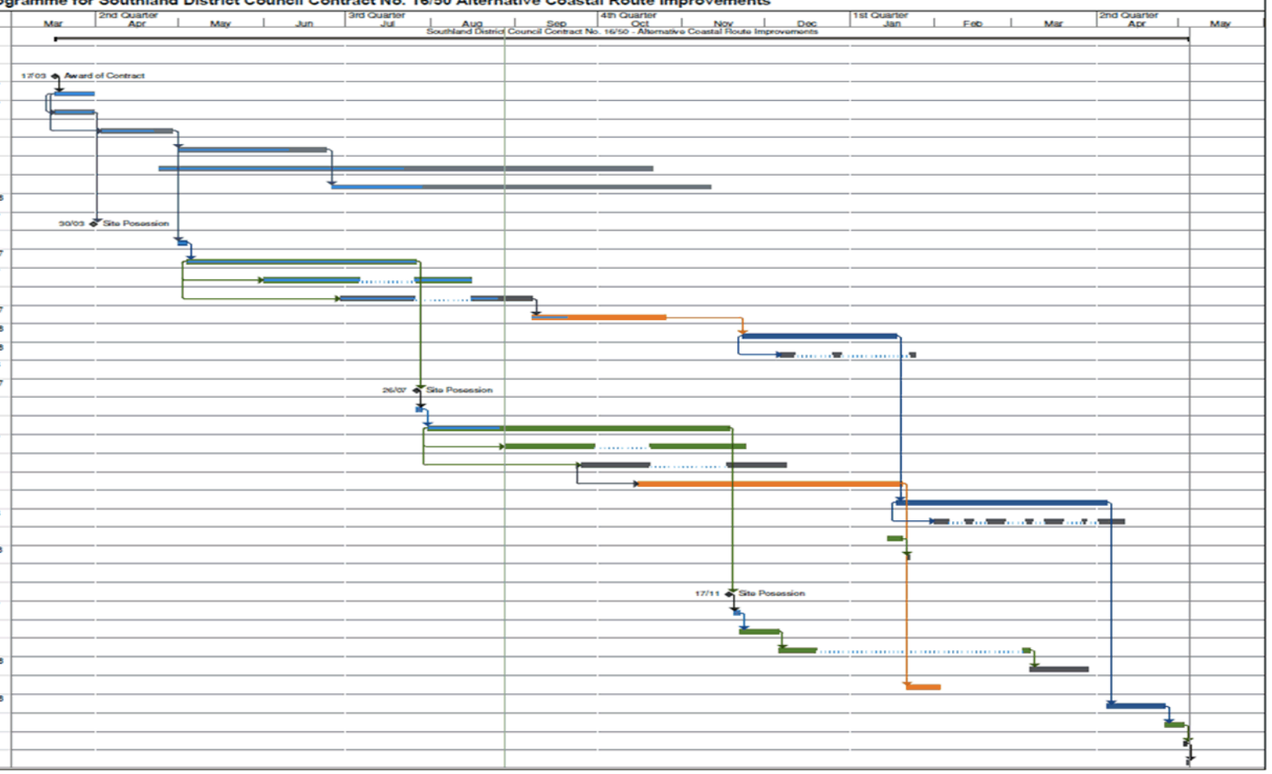
Commentary

Project information boards have been installed at each end of the project, a letter drop has been completed including backpackers, cafes etc to advise of delays and closures. There has also been information put on SDC website, Facebook advising of delays and closures. Closure has been effective and ensured works completed in a timely manner. Site can get slippery in the wet when earthworks are underway, TRC have managed this well to date however. Project health and safety inspection forms have been completed on a regular basis during site visits.

Project Schedule

The Roading Company
Programme for Southland District Council Contract No. 16/50 Alternative Coastal Route Improvements

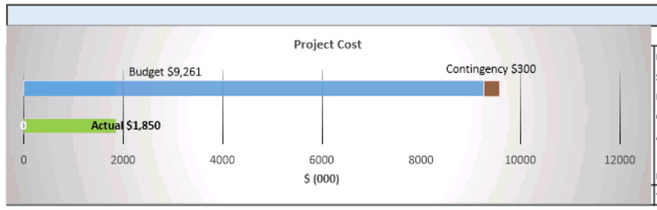
ID	Task Name	Duration	Start	Finish
1	Southland District Council Contract No. 16/50 - Alternative Coastal Route Improvements	296 days	Fri 17/03/17	Fri 4/05/18
2	Contract Works	296 days	Fri 17/03/17	Fri 4/05/18
3	Award of Contract	0 days	Fri 17/03/17	Fri 17/03/17
4	Order Materials and Service Locates	10 days	Fri 17/03/17	Thu 30/03/17
5	COP, HSP & TMP	10 days	Fri 17/03/17	Thu 30/03/17
6	Consents	20 days	Mon 3/04/17	Fri 28/04/17
7	Rock and Bulkfill	40 days	Mon 1/05/17	Fri 23/06/17
8	AP65 Production	130 days	Mon 24/04/17	Fri 20/10/17
9	M4 AP40 Production	100 days	Mon 26/06/17	Fri 10/11/17
10	Slope Point	214 days	Thu 30/03/17	Wed 24/01/18
11	Site Posession	0 days	Thu 30/03/17	Thu 30/03/17
12	Initial Site Meeting & Establishment	3 days	Mon 1/05/17	Wed 3/05/17
13	Earthworks & Dreinage	60 days	Thu 4/05/17	Wed 26/07/17
14	Cut to Waste/Fill & Fencing	40 days	Thu 1/06/17	Tue 15/06/17
15	Rock & Bulkfill	35 days	Thu 29/06/17	Wed 6/09/17
16	Subbase	35 days	Thu 7/09/17	Wed 25/10/17
17	Basecourse	40 days	Thu 23/11/17	Wed 17/01/18
18	Seal, Roadmarking & Signage	8 days	Thu 7/12/17	Wed 24/01/18
19	Haldane - Curio Bay	184 days	Wed 26/07/17	Tue 10/04/18
20	Site Posession	0 days	Wed 26/07/17	Wed 26/07/17
21	Initial Site Meeting & Establishment	2 days	Thu 27/07/17	Fri 28/07/17
22	Earthworks & Dreinage	80 days	Mon 31/07/17	Fri 17/11/17
23	Cut to Waste/Fill	50 days	Mon 28/08/17	Thu 23/11/17
24	Rock & Bulkfill	35 days	Mon 25/09/17	Fri 8/12/17
25	Subbase	70 days	Mon 16/10/17	Fri 19/01/18
26	Basecourse	55 days	Thu 18/01/18	Wed 4/04/18
27	Seal, Roadmarking & Signage	27.5 days	Thu 1/02/18	Tue 10/04/18
28	Otta Seal Pre	5 days	Mon 15/01/18	Fri 19/01/18
29	Otta Seal	1 day	Mon 22/01/18	Mon 22/01/18
30	Waipapa Point	120 days	Fri 17/11/17	Fri 4/05/18
31	Site Posession	0 days	Fri 17/11/17	Fri 17/11/17
32	Initial Site Meeting & Establishment	2 days	Mon 20/11/17	Tue 21/11/17
33	Earthworks & Dreinage	10 days	Wed 22/11/17	Tue 5/12/17
34	Cut to Waste/Fill	13 days	Wed 6/12/17	Wed 7/03/18
35	Rock & Bulkfill	15 days	Thu 8/03/18	Wed 28/03/18
36	Subbase	10 days	Mon 22/01/18	Fri 2/02/18
37	Basecourse	15 days	Thu 5/04/18	Wed 25/04/18
38	Otta Seal Pre	5 days	Thu 26/04/18	Wed 2/05/18
39	Otta Seal	1 day	Thu 3/05/18	Thu 3/05/18
40	Seal, Roadmarking & Signage	1 day	Fri 4/05/18	Fri 4/05/18



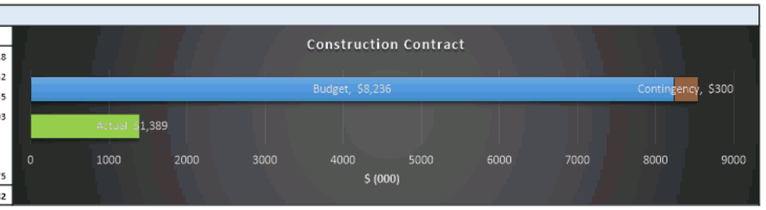
Item 8.3 Attachment G

Project Key Parameters		Comments
Schedule	On-Track	Overall the project is sitting on track according to the latest programme. Slope Point Road is now into the pavement construction phase, with AP65 sub-basecourse material being placed. The exacvation/drainage crews have now moved onto the main route (Otara-Curio). Production of the AP65 aggregates at Mairs Quarry is well underway and a good stockpile sitting available for TRC to cart and place on site. The Roading Company have begun to produce the M4 AP40 Base Course at the Ota Creeks Gravels site. Fence reinstatement works are progressing well with little downtime to remove disruption for affected landowners. Stantec are nearing completion of the final Waipapa design for the full seal option - James has liaised with the landowners that will be affected by this new design.
Quality	On-Track	See the QA Section Below
Scope	On-Track	Currently no changes to the Scope of the project.
Budget	On-Track	Total $9.561M Spent $1.85M Remaining $7.711M
Issues	Currently No Issues	

Project Finance



	Total	Spent	Remaining
Design	406,000	373,482	32,518
Safety Review	19,120	17,868	1,252
Probity (Tendering)	21,011	20,777	235
Construction	8,913,897	1,396,395	7,517,503
Advertising	1,429	1,429	-
	140	140	-
MSQA	200,000	40,525	159,475
Total	9,561,458	1,850,476	7,710,982



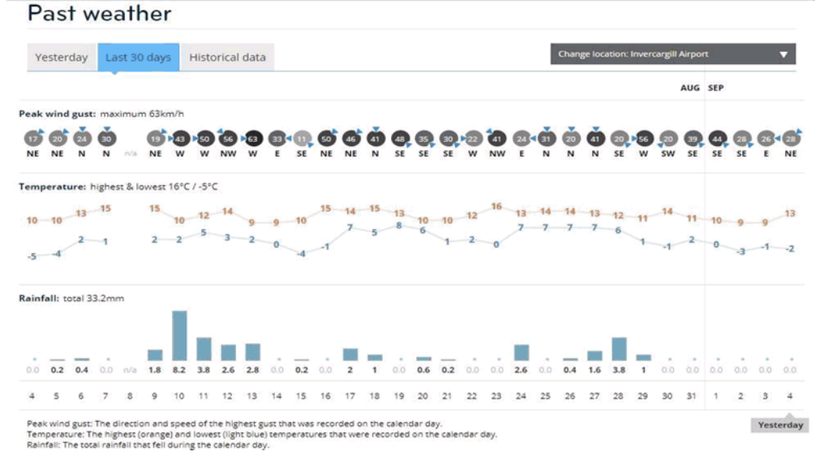
Project Quality Assurance

1) Project's resource consent application has been completed and lodged to SDC planning Department. Land owner consultation is complete and landowner agreements have all been signed. Awaiting final consent approval from SDC Planning Department.
2) Power poles have all been relocated across the entire project
3) Drone mapping/survey of Slope Point Road is complete. Approx 1/3 of the main route has now been mapped also. Car park design for end of Slope Point Rd is complete, price received and confirmed by SDC. Possible look out car park to be added at top of Slope Point Rd hill.
4) Scala penetrometer testing of Slope Point Road is complete - design target CBR of 3.5 minimum has been largely achieved and generally sitting up around 6-10+. Scala checks of the main route will begin in the coming weeks on the latest excavation areas.
5) Material validation testing is underway on material being processed at Mairs Quarry (AP65) and Ota Creek Gravels (M4 AP40). Results received to date from TRC/Southern Aggregates have been satisfactory and peer reviewed at Stantec (James McGrath).
6) NDM testing of the AP65 layers is at SDC discretion - have initiated talks with TRC to undertake some testing on a cost share basis. AP65 is not normally tested by NDM, however on this project it would be a good QA measure.
7) Contract meeting was held 11/08/2017 and 01/09/2017

Project Risks

	Risk Level	Implication	Cost	Strategy
1) Weather, has been identified as a risk from the projects inception.	Medium / High	Project completion delayed	Zero	Monitor and adjust programme as required.
2) Land ownership issues.	Low	Re-Design	$20k	On-going consultation and written agreement.
3) Resource Consent issues.	Low	Project completion delayed	TBD	Obtain approvals from affected parties.
4) Accidential finds (historic artifacts)	Low	Project completion delayed	TBD	
5) Unforeseen ground conditions	Low/Medium	Project completion delayed	TBD (based off schedule of prices)	Contract Contingency
6) NZTA Funding	Low	Additional Cost to SDC	$1.2M	Verbal approval given for the additional funds from NZTA, a "Cost Scope Adjustment" to be completed.

Project Weather



Project Photos