

Title: Community Lifelines Infrastructure Delivery Programme
Section: Community Lifelines
Prepared by: Neville West (Infrastructure Manager)
Meeting Date: 11 October 2018

Legal Financial Significance = low

Report to ASSETS & INFRASTRUCTURE Committee for information

SUMMARY

The purpose of this report is to update the Committee on the Capital work programme for the 2018/19 year for the 4 Waters area.

As the Committee is aware, Community Lifelines has restructured to ensure greater focus on both the operational activity and the capital work programme by separating the two functions.

The greatest challenge to this year's capital programme is securing construction resources. This is due to the very large capital programme district wide and over multiple entities including Inner Harbour development and Port Eastland upgrades. Significant effort is going into securing contractors by keeping them informed of the work programme, changing the method of procurement, investigating risk sharing options and providing flexibility within the contracts.

The decisions or matters in this report are considered to be of **low** significance in accordance with the Council's Significance and Engagement Policy.

RECOMMENDATIONS

That the Assets & Infrastructure Committee:

1. **Notes the contents of this report.**

Authorised by:



Neville West
Acting Director Lifelines

Keywords: Capital Work programme, Construction

BACKGROUND

1. In August of this year Community Lifelines was restructured to separate Operations and Capital work with a view to improving the delivery and efficiency in both areas. This change considered the recommendations from the Havelock North enquiry and our ability to deliver the complete annual Capital work programme.
2. The full benefits of these changes are likely to take a further year. This will allow staff time to adapt to these changes and secure staff for all positions.
3. With the large forward work programme such as flood damage work, Provincial Growth Fund, Inner Harbour development, Port Eastland lower log yard upgrade, Waipaoa Flood Control Scheme Upgrade and the 4 Waters capital programme, securing construction resources presents the greatest challenge.

DISCUSSION and OPTIONS

4. Construction programme is currently under way with some contracts already let including contracts that span two financial years (refer attached Appendix 1).
5. To ensure capital work is completed within each financial year it is necessary to have all work investigated and designed ready for tendering by 1 July each year. This requires budgets to be correctly phased, which may take an additional one to two years to achieve.
6. The largest capital spends for 4 Waters are either tendered or about to be tendered except for Waipaoa stopbank upgrade which awaits the outcome of the resource consent.
7. We are confident that a tender process for the Waipaoa stopbank upgrade can be completed and awarded by Christmas.

Resourcing

8. Meetings with major contractors has already occurred with a further meeting on 11 October 2018, which is to inform contractors of the capital programme and timing.
9. The procurement methodology has been looked at with a view to:
 - Risk sharing
 - Reducing contract penalties
 - Construction timeframes
 - Conditions of Contract
 - Alternative tenders
 - Early input into designs

ASSESSMENT of SIGNIFICANCE

Criteria	This Report	The Process Overall
The effects on all or a large part of the Gisborne district	Low	Low
The effects on individuals or specific communities	Low	Low
The level or history of public interest in the matter or issue	Low	Low
Inconsistency with Council's current strategy and policy	Low	Low
Impacts on Council's delivery of its Financial Strategy and Long Term Plan.	Low	Low

10. The decisions or matters in this report are considered to be of **low** significance in accordance with Council's Significance and Engagement Policy.

COMMUNITY ENGAGEMENT

11. The Capital work programme was consulted on as part of the three yearly Long Term Plan process.

CONSIDERATIONS

Financial/Budget

12. Capital projects are subject to budget variation by virtue of the tendering process. Where exceedance of budget is identified then additional budget is requested, the scope reduced to match budget or underspend on other like projects.

Legal

13. Potential procurement options have been checked for consistency with Council's Procurement Policy.

POLICY and PLANNING IMPLICATIONS

14. Not applicable

RISKS

15. Identified risks are:

Risk	Mitigation
Insufficient contractors to complete all work	Refer report for more detail. Early engagement with contractors, share contract risk.
Not completing all work within financial year	Refer report for more detail. Year ahead with Investigations, Design and tender documents.

NEXT STEPS

Date	Action/Milestone	Comments
Quarterly	Further updates	

APPENDICES

- Appendix 1 - Summary of Construction Programme