

QLDC Council
26 February 2015

Report for Agenda Item: 8

Department:
Infrastructure

2014/15 Infrastructure Capital Works Programme Reforecast

Purpose

- 1 To consider and approve a revised capital works programme for 2014/15 financial year

Recommendation

- 2 *That Council:*
 - a. **Approve** the proposed changes listed in Attachment A to the 2014/15 Annual Plan, Infrastructure capital works programme.
 - b. **Authorise** the Infrastructure Division to report its monthly performance against the revised capital works programme from March 2015.

Prepared by:



Peter Hansby
General Manager, Infrastructure

12/02/2015

Reviewed and Authorised by:



Peter Hansby
General Manager, Infrastructure

12/02/2015

Background

- 3 The 2014/15 Annual Plan included a capital works programme of \$51,579,560 for Infrastructure. This programme was inclusive of carry forwards. The programme included two significant projects; Project Shotover budgeted at \$16.9M and Eastern Access Rd at \$12.6M.
- 4 Historically the Infrastructure Division have delivered capital works programmes in the range of \$15-\$20M. This was identified as a consistent theme across most territorial authorities by the office of the Auditor General in their report "Water and Roding Funding and Management Challenges"

- 5 The Infrastructure Division have been through a significant re-structure to place more focus on planning for the future. As part of this transition the division are moving towards an evidence based capital works programme (ie. what is the justification for an upgrade or replacement? Does the modelling support this decision?)
- 6 In line with the evidence based philosophy it is proposed to defer (in some cases permanently) or carry forward certain projects from the current programme.

Comment

In respect to the two significant projects:

- 7 Project Shotover is still in the preferred proposer negotiations with resource consents yet to be issued and agreements still outstanding from some of the submitters. The impact of these delays is that if works do commence this financial year expenditure will be significantly reduced.
- 8 Eastern Access Road is under construction but due to limited commitment from developers this project has been reduced to the state highway intersection improvements, linkage through to Glenda Drive and the first stages of the stormwater solution.
- 9 Collectively these projects account for \$24M of the deferred or carry forward budget.
- 10 Where prudent, projects have been deferred until we have a better understanding of the need to proceed with the works.
- 11 The outcome of the review is the following amendments to the 2014/15 Capital Works Programme

• Annual Plan (inclusive of carry forwards)	\$51,579,560
• Projects deferred or deleted	\$26,650,503
• Expected Carry forwards	\$3,152,445
• Remaining Programme	\$21,776,611
- 12 The projects to be deferred and/or carried forward are listed in Attachment A.

Financial Implications

- 13 The implication of these changes is to reduce the capital expenditure budget for 2014/15 by \$29,802,948 and to increase the budget for 2015/16 by the value of the carry forwards \$3,152,445.

Local Government Act 2002 Purpose Provisions

- 14 This paper meets the requirements of the act in terms of making a decision which best meets the current and future needs of the community. Specifically to provide efficient and effective local infrastructure in a way that is most cost effective for households and businesses.

Council Policies

15 The following Council Policies were considered:

- Policy on Significance and Engagement – Although the decision is in respect to strategic assets; water supply infrastructure, sewage treatment plants and the roading network, the decision does not involve the transfer of ownership, sale or long term lease of these strategic assets. The policy of significance does not apply.

Attachments

A Projects to be deferred and/or carried forward

2014.15 Capex Reforecast

ID	Project Name	Total Annual Plan Budget	End of Year		Carry Forward	Comment
			Forecast Expenditure	Deferred Project or Savings		
000001	Glenorchy Water Supply Upgrades - Treatm	\$ 141,349.00	\$141,349.00			
000002	Arrowtown Water Supply - Firefighting	\$ 173,140.00	\$173,140.00			
000003	Lake Hayes Reservoir (Shotover Country)	\$ 150,000.00	\$150,000.00			
000004	Pressure zones management in Queenstown	\$ 30,000.00	\$16,000.00	\$ 14,000.00		Full budget not required for 2014/15
000005	Arthurs Point Water Supply - Backflow Pr	\$ 30,000.00	\$0.00	\$ 30,000.00		Project not required will be considered following water metering trials
000006	Water Supply - Renewals - Queenstown	\$ 500,000.00	\$350,000.00	\$ 150,000.00		Full budget not required for 2014/15
000007	Water Supply - Renewals - Wanaka	\$ 405,400.00	\$405,400.00			
000008	Water Supply - Renewals - Arrowtown	\$ 149,000.00	\$149,000.00			
000009	Water Supply - Renewals - Glenorchy	\$ 19,000.00	\$19,000.00			
000010	Water Supply - Renewals - Luggate	\$ 18,000.00	\$18,000.00			
000011	Water Supply - Renewals - Arthurs Point	\$ 16,500.00	\$16,500.00			
000012	Water Supply - Renewals - Lake Hayes	\$ 16,000.00	\$16,000.00			
000013	Water Supply - Renewals - Hawea	\$ 14,000.00	\$14,000.00			
000014	Mt Aspiring Rd booster to address fire f	\$ 335,900.00	\$35,000.00		\$ 300,000.00	Design to commence in 2014/15, construction likely to extend beyond financial year
000015	Fernhill Pressure Zone	\$ 20,000.00	\$20,000.00			
000016	Wanaka Yacht Club Borefield Stage 1	\$ 35,000.00	\$35,000.00			
000017	Albert Town Ring Main	\$ 460,000.00	\$0.00		\$ 460,000.00	Project dependant on "3 Parks" developer unsure when works will be required.
000018	Beacon Point Road Duplication	\$ 129,782.01	\$129,782.01			
000019	Goldfields Link to Queenstown Hill	\$ 30,000.00	\$30,000.00			
000020	Link Way Booster	\$ 95,000.00	\$20,000.00		\$ 75,000.00	Project is linked to Wanaka Decommission Roys Bay (Project ID 000176). Balance of works will be completed 2015/16
000021	Luggate Water Supply Land Legalisation	\$ 5,893.11	\$31,493.11	\$ 25,600.00		Over expenditure funded from Luggate Reticulation Extension (Project ID 000023)
000022	Project Shotover - Stage 1 (Option A)	\$ 16,965,000.00	\$1,000,000.00	\$ 15,965,000.00		Under expenditure in current financial year. Provision made for this project in 2015/16 so this budget is surplus
000023	Luggate Reticulation - extension into un	\$ 30,000.00	\$4,400.00	\$ 25,600.00		Proposed to transfer to Luggate land supply legalisation (Project ID 000021)
000024	Wastewater - Renewals - Queenstown	\$ 535,000.00	\$535,000.00			
000025	Wastewater - Renewals - Wanaka	\$ 260,000.00	\$260,000.00			
000026	Wastewater - Renewals - Arrowtown	\$ 123,000.00	\$30,000.00	\$ 93,000.00		Full budget not required for 2014/15
000027	Wastewater - Renewals - Hawea	\$ 58,000.00	\$58,000.00			
000028	Wastewater - Renewals - Lake Hayes	\$ 44,000.00	\$0.00	\$ 44,000.00		Proposed to transfer to Lake Hayes Estate WWPS4 (Project ID 000035)
000029	Lake Hayes Pump Station 5 Generator	\$ 57,306.39	\$42,306.39	\$ 15,000.00		Full budget not required for 2014/15
000030	Wastewater - Renewals - Arthurs Point	\$ 17,000.00	\$17,000.00			
000031	Wastewater - Renewals - Luggate	\$ 8,500.00	\$8,500.00			
000032	Wanaka Wastewater - Upgraded Aubrey Rd West	\$ 252,455.44	\$15,000.00		\$ 237,455.44	Will spend some budget this year on scoping and concept design. For construction 2015/16.
000033	Edgewater Gravity Sewer Upgrade	\$ 350,000.00	\$350,000.00			
000034	Marine Parade WWPS Optimisation and Reu	\$ 443,518.00	\$123,518.00	\$ 320,000.00		Full budget not required for 2014/15 (re-used abandoned riser main to create redundancy for pump station)
000035	Lake Hayes WWPS4 Upgrade	\$ 125,000.00	\$169,000.00	\$ 44,000.00		Over expenditure funded from Lake Hayes Renewals (Project ID 000028)
000036	Lake Hawea connection to Project Pure	\$ 65,000.00	\$5,000.00		\$ 60,000.00	Land purchase in progress but not expected to be settled land acquisition this financial year
000037	Glenorchy New Wastewater Scheme	\$ 250,000.00	\$25,000.00		\$ 225,000.00	Design works will continue into the 2015/16 financial year, construction planned for 2017/18 financial year
000038	Wanaka Wastewater - Aubrey Road East Ret	\$ 634,989.16	\$300,000.00		\$ 334,989.16	Project in detailed design phase for tendering late February. Works to progress into 2015/16 financial year
000039	Aubrey Road Lakeside No1 Wastewater Risi	\$ 250,000.00	\$15,000.00		\$ 235,000.00	Scoping and concept design to proceed this year with construction to extend into 2015/16 financial year
000040	Queenstown WW Optimisation and Mitigatio	\$ 170,000.00		\$ 170,000.00		Project deferred until modelling can identify target areas
000041	Wanaka Wastewater - Aubrey Rd Central	\$ 124,065.37	\$124,065.37			
000042	Wanaka Airport Pump Station Upgrade to	\$ 82,503.47	\$0.00	\$ 82,503.47		Project deferred until Wanaka Airoport funding confirmed
000043	Septage Disposal Point - Wanaka	\$ 55,000.00	\$0.00	\$ 55,000.00		Project deferred until site for disposal established
000044	Wanaka Wastewater - Golf Course Road Gra	\$ 50,000.00	\$5,000.00		\$ 45,000.00	Concept designs drafted, key stake holder consultation yet to be started. Construction to extend into 2015/16 financial year
000045	Wanaka Wastewater - Servicing of Clan Ma	\$ 50,000.00		\$ 50,000.00		Project Deferred beyond 2017/18
000046	Stormwater - Renewals - Wakatipu	\$ 215,000.00	\$150,000.00	\$ 65,000.00		Full budget not required for 2014/15
000047	Stormwater - Renewals - Wanaka	\$ 80,000.00	\$60,000.00	\$ 20,000.00		Full budget not required for 2014/15
000048	Stormwater Reserve Blenheim Land	\$ 55,000.00		\$ 55,000.00		Project Deferred as subject to developer funding
000049	Wanaka Catchment Management Plan, Cardro	\$ 25,000.00		\$ 25,000.00		Project Deferred beyond 2017/18
000050	Bremner Park Stormwater Upgrade - Interi	\$ 383,683.00	\$383,683.00			
000051	CROWN RANGE SPR - Drainage renewals	\$ 51,220.00	\$51,220.00			
000052	Crown Range SPR - Traffic services renew	\$ 6,690.00	\$6,690.00			
000053	WAKATIPU - Sealed road resurfacing	\$ 1,971,973.00	\$1,171,973.00	\$ 800,000.00		Full budget not required for 2014/15
000054	WANAKA - Sealed road resurfacing	\$ 1,320,683.00	\$650,683.00	\$ 670,000.00		Full budget not required for 2014/15
000055	WAKATIPU - Unsealed road metalling	\$ 669,954.34	\$629,954.34	\$ 40,000.00		Full budget not required for 2014/15
000056	WANAKA - Unsealed road metalling	\$ 635,550.00	\$585,550.00	\$ 50,000.00		Full budget not required for 2014/15
000057	MALAGHANS ROAD (Start RP: 8892, End RP:	\$ 1,150,000.00	\$480,000.00	\$ 670,000.00		Balance of project funded from Minor Improvements & Drainage Renewals as required by NZTA (local share transferred to Drainage renewals Project ID62)
000058	Wakatipu - Minor Improvements	\$ 383,008.37	\$383,008.37			
000059	WAKATIPU - Associated Improvements	\$ 170,000.00	\$115,000.00	\$ 55,000.00		Full budget not required for 2014/15
000060	Wanaka - Minor Improvements	\$ 313,149.86	\$313,149.86			Budget partially required to fund Upper Ardmore Pedestrian Connectivity (Project ID 000085)
000061	WANAKA - Sealed road pavement rehabilita	\$ 177,676.00	\$82,676.00	\$ 95,000.00		Full budget not required for 2014/15 as only design works this financial year
000062	WAKATIPU - Drainage renewals	\$ 351,284.00	\$ 518,284.00	\$ 167,000.00		Over expenditure funded from Malaghans Rd (Project ID 000057)
000063	WAKATIPU - Sealed road pavement rehabili	\$ 268,523.00	\$ 133,523.00	\$ 135,000.00		Design for 15/16 Rehabilitation Projects Balance is surplus
000064	GLENORCHY SPR - Sealed road resurfacing	\$ 300,000.00	\$ 80,000.00	\$ 220,000.00		Full budget not required for 2014/15
000065	WAKATIPU - Traffic services renewals	\$ 125,995.00	\$125,995.00			
000066	WANAKA - Drainage renewals	\$ 134,779.00	\$134,779.00			
000067	WAKATIPU - Structures component replacem	\$ 85,000.00	\$85,000.00			
000068	GLENORCHY SPR - Structures component rep	\$ 101,500.00	\$101,500.00			
000069	WANAKA - Structures component replacemen	\$ 55,750.00	\$55,750.00			
000070	WANAKA - Traffic services renewals	\$ 43,450.00	\$43,450.00			
000071	Glenorchy SPR - Drainage Renewals	\$ 51,150.00	\$51,150.00			
000072	Crown Range SPR - Structures component r	\$ 27,875.00	\$27,875.00			
000073	Glenorchy SPR - Traffic services renewal	\$ 8,920.00	\$8,920.00			
000074	Glenorchy SPR - Minor improvements	\$ 55,000.00	\$55,000.00			
000075	Glenorchy SPR - Unsealed road metalling	\$ 5,575.00	\$5,575.00			
000076	Wakatipu Unsub - Minor Improvements	\$ 669,000.00	\$669,000.00			
000077	Wanaka Unsub - Minor Improvements	\$ 334,500.00	\$334,500.00			
000078	Beacon Point Road - Upgrade	\$ 520,511.51	\$520,511.51			
000079	Wanaka Mt Aspiring Road Widening and Dra	\$ 250,000.00	\$250,000.00			
000080	Completion of Ardmore/Dungarvon Intersec	\$ 10,000.00	\$10,000.00			
000081	Brownston Street Parking	\$ 210,000.00	\$210,000.00			
000082	Eastern Access Road - New roads	\$ 12,616,226.63	\$4,616,226.63	\$ 7,000,000.00	\$ 1,000,000.00	Project to extend into the 2015/16 financial year but significant portion of this project is subject to developer contribution, this portion of works is provided for in 2019/20
000083	Wanaka Roading Contribution to Ultra Fas	\$ 250,000.00	\$250,000.00			
000084	Wanaka North Eastern Corridor	\$ 186,745.00	\$186,745.00			
000085	Upper Ardmore Pedestrian Connectivity	\$ 140,000.00	\$186,000.00	\$ 46,000.00		Over expenditure to be funded from Wanaka minor Improvements (Project ID 000060)
000086	Upper Ardmore Street Furniture	\$ 50,000.00	\$50,000.00			
000087	Bus Stop Improvements - Wakatipu	\$ 11,566.92	\$11,566.92			
000088	Wanaka Lakefront Park Entrances Reconfig	\$ 10,000.00	\$10,000.00			
000163	Frankton Flats Water Connection	\$ 200,000.00	\$200,000.00			
000164	Cardrona New Wastewater Scheme	\$ 200,000.00	\$ 20,000.00		\$ 180,000.00	Project Investigations underway. Design to extend into 2015/16 financial year.
000165	C&D Waste Diversion	\$ 40,000.00	\$40,000.00			
000172	Arrowtown UV Upgrades	\$ 75,805.65	\$75,805.65			
000173	Hawea Water Upgrades - Intake to Scott's	\$ 1,029,122.00	\$ 1,029,122.00			
000174	Frankton Flats Development - WW Stage 1	\$ 401,880.95	\$ 401,880.95			
000175	Install interim UV at Kelvin Heights	\$ 307,273.00	\$ 307,273.00			
000176	Wanaka Decommission Intake Roys Bay	\$ 253,658.19	\$ 273,658.19	\$ 20,000.00		Project overspend will be funded from Water Supplies Renewal Wanaka (Project ID 7)
000177	SCADA District Wide Upgrades	\$ 131,721.15	\$ 131,721.15			
000178	Atley Rd Extension	\$ 210,000.00	\$ 210,000.00			
000179	Inner Links Stage 1 and 2 - Melbourne H	\$ 141,379.00	\$ 141,379.00			
000180	Frankton Road (formerly Leary	\$ 84,072.03	\$ 45,072.03	\$ 39,000.00		Project delivered under budget
000181	Queenstown WW Peak Flow Attenuation- P1	\$ 75,000.00	\$ 75,000.00			
000182	Western Reservoir 2011/12 Easement	\$ 20,969.00	\$ 20,969.00			
000183	Frankton Beach Pump Station Upgrade	\$ 53,338.00	\$53,338.00			
000192	Fergburger Shotover St Footpath Upgrade	\$ 100,000.00	\$100,000.00			
		\$ 51,579,559.55	\$ 21,776,611.48	\$ 26,650,503.47	\$ 3,152,444.60	
					\$ 29,802,948.07	
						\$ 51,579,559.55