

## **5.11. WARNER STREET DRAINAGE AND FOOTPATH DESIGN PROJECT**

<b>REPORT AUTHOR</b>	Michael Kriedemann, Manager Infrastructure
<b>GENERAL MANAGER</b>	Nicholas Wellwood, General Manager Operations
<b>DEPARTMENT</b>	Infrastructure Services

### **RECOMMENDATION**

**That Council resolves to:**

- 1. adopt the revised budget of \$120,000 for Warner Street Drainage and Footpath Works – Design project.**

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### **EXECUTIVE SUMMARY**

The 2017 - 2018 annual budget was adopted on 27 June 2017 with an allocation of \$75,000 for the Warner Street Drainage and Footpath Works Design project.

A budget adjustment was proposed in the December 2017 budget review to increase the budget. Unfortunately, the budget increase was presented to Council as a budget saving and the outcome was a reduction in the project budget to \$40,000.

Council Officers have completed the procurement process and are ready to engage the successful contractor. Due to the December 2017 budget review error and the subsequent reduction in the project budget, Council Officers are unable to finalise the procurement.

In order to complete the design project, the project budget (adjusted in December 2017) needs to be increased by \$80,000, giving a total project budget of \$120,000.

This budget increase will be offset by savings achieved in a number of civil works projects currently being delivered in 2017 / 2018 including William St footpath and Jack St footpath.

### **BACKGROUND**

The 2017 - 2018 annual budget was adopted on 27 June 2017 with an allocation of \$75,000 for the Warner Street Drainage and Footpath Works Design project. In October 2017, Council Officers developed a project scope and completed a request for quote from suitably qualified contractors.

The successful contractor's quote was higher than the original budget therefore a budget adjustment was proposed in the December 2017 budget review to increase the budget. Unfortunately, the budget increase was presented to Council as a budget saving and the outcome was a reduction in the project budget to \$40,000.

### **COMMENT**

Council Officers have completed the procurement process and are ready to engage the successful contractor. Due to the December 2017 budget review error and the subsequent reduction in the project budget, Council Officers are unable to finalise the procurement.

In order to complete the design project, the project budget (adjusted in December 2017) needs to be increased by \$80,000, giving a total project budget of \$120,000. Refer to the table below for details.

Department	W/O#	Name of Project	Reason for modifying	New Renewal or Upgrade	2017/18 Budget (adjusted in December)	\$ Saved / (Overspent)
Civil Works	2957	Warner St Drainage and Footpath works Design	Over Budget	R	\$40,000	\$ (80,000)

### FINANCIAL/RESOURCE IMPLICATIONS

The \$80,000 increase in the project budget will be offset by savings in a number of civil works projects currently being delivered in 2017 / 2018 including the William Street and Jack Street footpaths. These savings are as a result of constructing the paths using fibre reinforced concrete which has produced cost efficiencies and program and resource savings.

### RISK MANAGEMENT IMPLICATIONS

The project scope has been documented and quotes from suitably qualified contractors received and assessed. As the contract price is known, there is a high degree of confidence in the project cost.

If the contractor is engaged in February 2018, there will be sufficient time in the project to complete the design and documentation, including community engagement.

### CORPORATE/OPERATIONAL PLAN, POLICY REFERENCE

This report has been prepared in accordance with the following:

#### Corporate Plan 2014-2019 Initiatives:

#### Theme 5 – Governance

*5.1.1 - Establish and develop long term financial, resource and infrastructure planning to ensure ongoing capacity to fund operations and capital works programs.*

*5.2.1 - Provide Councillors and community with accurate, unbiased and factual reporting to enable accountable and transparent decision-making.*

### COUNCIL'S ROLE

Council can play a number of different roles in certain circumstances and it is important to be clear about which role is appropriate for a specific purpose or circumstance. The implementation of actions will be a collective effort and Council's involvement will vary from information only through to full responsibility for delivery.

The following areas outline where Council has a clear responsibility to act:

**Asset-Owner** Meeting the responsibilities associated with owning or being the custodian of assets such as infrastructure.

## CONSULTATION

**Internal:** Financial Management

**External:** Nil

## ATTACHMENTS

Nil