

5.3. CAPITAL WORKS PROGRESS REPORT FOR THE PERIOD ENDED 30 JUNE 2016

REPORT AUTHOR(S): Paul Hoyer, General Manager Operations
DEPARTMENT: Operations

RECOMMENDATION

That Council receives and notes the final progress report for the Capital Works Program for the 2015 - 2016 financial year.

EXECUTIVE SUMMARY

Council adopted a capital works budget in excess of ten (10) million dollars for the 2015 – 2016 financial year. Attachment 1 to this report details the progress of the capital works program for those works with a budget of \$15,000.00 or more for the period of April 1 – June 30, 2016.

The majority of works have progressed in line with expectations and as at June 30, 75% of projects have been completed. Of these completed projects 56 have been delivered on or under budget, achieving a current saving to Council of approximately \$1,083,000.00. Importantly these savings covered the budget overrun occurring with the Degarra causeway project and were able to accommodate emergent capital works projects during the year, including the replacement of lighting at the Mossman Swimming Pool and the Dixies Shed relocation.

Overall, the delivery of the 2015 – 2016 capital works program has been satisfactory. Problems with under-estimation of costs with some of the larger projects in Water, Wastewater and Infrastructure have required these projects to be re-budgeted for in the 2016/17 Capital Works Program. These projects include the Craiglie Reservoir re-roofing, the Cowie Range upgrade and the inlet works upgrade for the Mossman Wastewater Treatment Plant. It is anticipated that with new project management skills and training being introduced into the organisation that better project planning, five-year project programs and improved project delivery will occur. It has been apparent that the lack of middle management in the Shire over the amalgamation years has exposed a need for the up-skilling of Council staff in project planning, management and delivery.

Weather conditions throughout the year have varied considerably with intense rainfall followed by drier than normal wet season conditions. This has then been followed by wetter than normal dry season conditions, again accompanied by some intense rainfall periods. These variable conditions have impacted on the delivery of some projects that were programmed for the dry season delivery such as the Killaloe capping and the sewer relining.

Staff have performed well in the circumstances and the quality of work and efficiency of staff in the delivery of projects in house should be commended.

BACKGROUND

Council adopted a budget for the delivery of capital works in the Shire for the 2015 - 2016 financial year. Attachment 1 gives a summary of the progress of the capital works program for the 2015/16 financial year. The attachment is in a "traffic light" format so as to provide a quick oversight of the entire program where performance/progress is shown as follows:

Performance Indicators ● Satisfactory ● Marginal ● Unsatisfactory

COMMENT

The majority of the capital works program has been delivered within the financial year and well under budget. Current accounting practices use a financial year timeframe to deliver the capital works program. Douglas as a Council that has been operating for a very short time and has struggled in part to meet these timeframes, largely because the design component of many proposed works did not exist. Only now, over the 30 months of the new Council's operations are the design components of projects starting to be prepared in advance. The provision of design as a stand-alone project phase will allow future construction phases to be delivered within agreed time frames, which will also assist with procurement.

The majority of Mossman staff under the amalgamated Council did not have the benefit of managing projects. As a result, the upskilling and training of staff in project management is a priority in the Operations Department and is an ongoing process.

Taking into account many of the factors that may impact on project delivery, Council staff have overall performed well in delivering projects, particularly as projects are being delivered whilst they are performing their everyday duties. The Capital Works Progress report does show that significant savings do occur where projects are able to be delivered "in house" but this carries some risk as staff may not be able to dedicate the necessary time to projects.

It has also become apparent that some large and unique projects, such as the Craiglie reservoir roof and the vermin proofing of reservoirs have suffered from a need to consult with specialist contractors, often interstate and/or that the project has required ongoing testing or redesign to ensure the appropriate solution is being delivered and Council's investment protected. Diggers Bridge and the Leachate Management System are examples where it has been necessary to halt works and reassess the projects to ensure the end product will meet the needs of stakeholders. Whilst in both these cases the projects have not been completed in the 2015/16 year there is increased confidence that expenditure on these projects in the 2016/17 year will meet stakeholder needs.

It is expected that of the remaining 2015/16 projects, i.e. those not re-budgeted for and adopted in 2016/17 program, 90% will be completed in or before September 2016.

It is recommended that Council note the contents of this report.

FINANCIAL/RESOURCE IMPLICATIONS

Delivery of a capital works program within budget is essential to ensure that Council is financially sustainable and that Council's assets are maintained and developed to meet the needs of communities within Douglas. All areas of Council's Operations Department are now developing three (3) and five (5) year capital works programs which provide a clear strategy for delivery of capital works projects and allow for the necessary planning and financing to occur. It is pleasing that the majority of projects have been delivered well within budget and in most cases by Council staff.

RISK MANAGEMENT IMPLICATIONS

Council must plan and deliver a suitable capital works program to ensure that its assets are able to service the needs of the communities within Douglas Shire. Council has a statutory obligation as a service provider to ensure it is able to provide water and wastewater services to customers. Council's reputation and the community's amenity would suffer if it is unable to maintain assets and service levels at necessary standards. The consequence of inadequate maintenance and upgrade of capital assets will be increased costs in the future.

SUSTAINABILITY IMPLICATIONS

Economic: Financial sustainability of the Council would be at risk if capital works programs are not kept within budget, or are not undertaken.

Environmental: Failing to maintain assets can lead to environmental impacts through the release of materials to the environment outside of licence conditions. Poorly maintained assets can also have impacts on energy and resource use.

Social: Communities expect assets such as roads, bridges and water/wastewater systems to be safe and maintained to necessary standards.

CORPORATE/OPERATIONAL PLAN, POLICY REFERENCE

This report has been prepared in accordance with the following:

Corporate Plan 2014-2019 Initiatives:

Theme 2 Building Sustainable Economic Base

Goal 1 – To develop a sustainable Capital Works program that generates local opportunities for employment

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.

Fully Responsible: Funding the full cost of a program or activity.

CONSULTATION

Internal: Consultation has been undertaken with the Managers and Coordinators within the Operations Department and with the Management Team.

External: Nil.

ATTACHMENTS

Attachment 1 - Capital Works Status Report

Status (Traffic Light)	Capital Works Project	Expenditure to date (committed)	Original budget	Budget Variance on Completed Projects	% Complete	Comment
	Degarra Causeway Upgrade Project	\$ 1,132,908.71	\$ 1,218,500	\$85,591.29	100%	Completed
	Whyanbeel Road Causeway No.3 Upgrade	\$ 64,175.69	\$ 73,094	\$8,918.31	100%	Completed
	CREB Track First Log Bridge	\$ 128,231.10	\$ 250,000	\$121,768.90	100%	Completed 20/11/2015. Allocated \$121,000 to the Mossman lighting projects.
	Cowie Range Bloomfield Track	\$ 26,358.69	\$ 278,000	\$0.00	60%	Detailed Design completed. Tender awarded to contractor. Construction to start in August. Budget carried over to 16/17.
	Meelele Bridge Relieving Slab	\$ 19,605.94	\$ 29,000	\$9,394.06	100%	Completed
	Reseal Program 2015_16	\$ 500,904.72	\$ 500,000	(\$904.72)	100%	Completed
	Daintree Ferry Traffic Improvements	\$ 71,726.10	\$ 50,000	(\$21,726.10)	100%	Completed
	Solander Boulevard Cul-De-Sac K&C	\$ 46,453.02	\$ 133,300	\$86,846.98	100%	Completed March 2016. Allocated \$36,000 to the Douglas Football Club lighting design project.
	Port Douglas Road - Service Road Upgrade	\$ 51,202.16	\$ 151,500	\$0.00	40%	Detailed design completed. Tender for construction to be released. Consultation complete and workshopped with Council. Budget carried over to 2016/17 with additional required budget..
	Avalon Street Footbridge	\$ 18,385.42	\$ 119,000	\$0.00	30%	Materials ordered and installation in August.
	Borzi Road Upgrade	\$ 150,545.43	\$ 167,000	\$16,454.57	100%	Completed. Allocate \$11,000 to the Mossman Pool Lighting Project & \$5,000 to the Mossman Caravan Park Lighting Project.
	Old Forestry Road Upgrade	\$ 141,709.05	\$ 191,000	\$0.00	95%	Majority of works completed. Concrete to causeway approaches to be completed with remaining 30 metres of road once property and road alignment complete. Alignment survey now received.
	Kingfisher Lane Concrete Roadway	\$ 31,675.91	\$ 61,000	\$29,324.09	100%	Completed
	Daintree Gateway Carpark Upgrade	\$ 48,296.14	\$ 70,000	\$21,703.86	100%	Completed design only 15/16. Concept Design & Community Consultation completed. Workshopped with Council.
	NDRRA Activation (x3)	\$ 288,000.00	\$ 288,000	\$0.00	100%	Completed
	Pedestrian and Cycleway Program	\$ 22,000.00	\$ 70,000	\$0.00	70%	Renewal of concrete footpath Mossman North from trainline. Concrete complete and rest of path prepared for asphalt as part of 2016/17 budgeted works.
	Grogan Street Footpath	\$ 113,938.51	\$ 142,000	\$28,061.49	100%	Completed. Allocated \$28,000 to the Mossman Caravan Park lighting project.
	Wharf Street - Asphalt Footpath Upgrade	\$ 49,204.90	\$ 85,000	\$35,795.10	100%	Completed
	Island Point Linking Path/Walking Track Design	\$ 58,179.82	\$ 75,000	\$16,820.18	100%	Complete. Budget balance to go to 2016/17 construction budget.
	Develop a Hiking and Mountain Bike Master Plan	\$-	\$ 15,000	\$0.00	15%	Final FNQROC Mountainbike Strategy released and impetus has been on development of the Wangetti Trail as the "Hero Trail" for the region. Flagstaff hill Walking Trail has also required prioritisation. Scope now finalised following discussions with consultant. The strategy to be a mapping and field investigation of a number of potential trails within the Shire.
	Bollards - Port Douglas Sports Club and Surf Club and replace Timber Bollards, and Picnic Tables.	\$ 56,375.99	\$ 46,500	(\$9,875.99)	100%	Completed
	Bells Park - Playground Upgrade	\$ 17,362.64	\$ 20,000	\$2,637.36	100%	Completed
	Mossman Depot - Storage Bays	\$ 21,813.14	\$ 18,000	(\$3,813.14)	100%	Completed
	Wonga Beach Skate Park - Shade Sail	\$ 24,099.38	\$ 22,000	(\$2,099.38)	100%	Completed.
	Cape Tribulation Playground Shade Sail	\$ 15,954.55	\$ 15,000	(\$954.55)	100%	Completed.
	Front Street Streetscape	\$ 77,144.22	\$ 100,000	\$22,855.78	100%	Completed
	Macrossan Street Bin Replacement	\$ 36,634.00	\$ 50,000	\$13,366.00	100%	Completed
	Port Douglas Fitness Equipment	\$ 30,124.55	\$ 30,000	(\$124.55)	100%	Completed
	Mossman Water Treatment Plant Replace 2 * Air Conditioners	\$ 8,604.25	\$ 15,000	\$6,395.75	100%	Completed
	Port Douglas Sports Complex - Paint Roof and Outside of Building	\$ 34,591.97	\$ 60,000	\$25,408.03	100%	Completed

Status (Traffic Light)	Capital Works Project	Expenditure to date (committed)	Original budget	Budget Variance on Completed Projects	% Complete	Comment
	Mossman Nursery - Machinery Shed and Driveway	\$ 118,417.82	\$ 110,000	(\$8,417.82)	100%	Completed
	Sharks Clubhouse - Asbestos Removal and Repairs	\$ 41,281.69	\$ 40,000	(\$1,281.69)	100%	Completed
	Wonga Van Park Upgrades	\$ 51,362.85	\$ 30,000	(\$21,362.85)	100%	Shed completed. Fence not done due to emergency works expenditure. Scope Project for 2016/17 Power Box Design. Overrun includes emergency works costs requiring capitalisation.
	Port Douglas Depot - Storage Shed	\$ 48,701.81	\$ 40,000	(\$8,701.81)	100%	Completed
	Sugar Wharf Repairs Structural	\$ 950.00	\$ 30,000	\$0.00	10%	Exemption certificate to be raised. To be carried into 16/17.
	Mossman Shire Hall Storage Facilities	\$ -	\$ 20,000	\$20,000.00	100%	Not required at this time.
	Diwan Toilet Refurbishment	\$ 11,862.66	\$ 20,000	\$8,137.34	100%	Completed.
	Daintree Gateway Toilet - Treatment Installation	\$ 29,223.58	\$ 20,000	(\$9,223.58)	100%	Completed
	Mossman Library - Staff Shower Install	\$ 18,604.00	\$ 20,000	\$1,396.00	100%	Completed
	Mossman Pool - Regrout Tiles	\$ 34,453.64	\$ 30,000	(\$4,453.64)	100%	Placed on-hold due to lease negotiations. Replacement pool cleaner purchased and allocation of \$14,000 to the Mossman Pool lighting project. Pool lane ropes requested by Council also added to project.
	Asset Register		\$ 30,000	\$0.00	0%	Project budget reallocated to Dixie Shed. New Budget \$45,000
	Black Spot Towers Upgrade	\$ 9,069.71	\$ 25,000	\$15,930.29	100%	Extra allocated to Dixie Shed.
	4 Mill Street, Mossman (upgrades for tenancy)	\$ 30,646.19	\$ 20,000	(\$10,646.19)	100%	Completed
	Fleet Replacement Program	\$ 109,855.53	\$ 185,000	\$0.00	90%	Awaiting delivery of one (1) vehicle.
	Scarab Street Sweeper	\$ -	\$ 360,000	\$0.00	60%	Preferred truck confirmed via report to Council in July 2016 and now awaiting delivery.
	Leachate Management System	\$ 19,600.00	\$ 590,000	\$0.00	33%	The leachate management system and capping projects are inter-related and very complex with significant long term financial implications for Council. A number of options have been considered to best manage the financial and environmental outcomes. A Wastewater Treatment Plant is now being procured for site with the scope finalised and tender documents being released in August.
	Leachate Scada Telemetry Reconfiguration	\$ 27,773.95	\$ 40,000	\$12,226.05	100%	Complete
	Killaloe Landfill - Capping	\$ 24,000.00	\$ 572,000	\$0.00	80%	Clay source identified and project commenced with expected completion August 5, 2016. Delayed due to wet weather.
	Cow Bay Drainage Improvements	\$ 27,071.00	\$ 30,000	\$2,929.00	100%	Completed
	Waste Sites Signage Upgrades	\$ 7,954.62	\$ 20,000	\$12,045.38	100%	Completed
	Cow Bay Transfer Station Fence Replacement	\$ 14,320.00	\$ 20,000	\$5,680.00	100%	Completed
	Killaloe Extension of Concrete Apron & Drop Bays	\$ 124,908.00	\$ 120,000	(\$4,908.00)	100%	Completed
	Killaloe Surveillance Cameras	\$ 16,679.10	\$ 20,000	\$3,320.90	100%	Completed
	Waste Tracking System	\$ 29,743.00	\$ 25,000	(\$4,743.00)	100%	Completed but fine tuning of system required.
	Port Douglas Harbour Council Moorings Audit and Repairs	\$ 11,182.21	\$ 20,000	\$0.00	75%	Condition report obtained and first stage of mooring pile upgrade undertaken. Signage installed. Boat salvage attempt of a sunken boat at mooring failed. An alternative salvage contractor is being sourced to complete task but this may not be possible.
	Local Laws Surveillance Cameras	\$ 8,380.91	\$ 15,000	\$6,619.09	100%	Completed. Cameras purchased and in use.
	Disaster Management Software	\$ 16,900.00	\$ 30,000	\$0.00	100%	Disaster Management software (Guardian) installed, training and exercising completed. Supplier was further engaged to complete a public/web interface project but this is now to be delivered via another supplier and form a separate project.
	Foxton Flood camera	\$25,060.00	\$ 10,000	(\$15,060.00)	100%	Completed. Additional budget via SES grant.
	Disaster Management Radio System Communication Installation	\$17,774.00	\$ 20,000	\$0.00	70%	Dedicated channel allocated by ACMA. Awaiting delivery of equipment for installation and testing in August
	Port Douglas WWTP LLP VSD Control Pumps	\$ 21,444.72	\$ 85,000	\$0.00	60%	Work was done to establish a "Force to run" control system as part of upgrade. Determined specifications and requested quotes for VSD upgrades. Scope of work and design is complete. Successful tenderer being determined.

Status (Traffic Light)	Capital Works Project	Expenditure to date (committed)	Original budget	Budget Variance on Completed Projects	% Complete	Comment
	Port Douglas WWTP PLC Upgrade	\$ 166,941.09	\$ 200,000	\$33,058.91	100%	Completed.
	Port Douglas WWTP UV System Upgrade	\$ 120,529.23	\$ 137,000	\$0.00	100%	Complete with final testing continuing.
	Port Douglas WWTP Odour Control	\$ 58,122.43	\$ 50,000	(\$8,122.43)	100%	Completed.
	Mossman WWTP: Citec SCADA, and PLC/SCADA upgrades	\$ 12,994.00	\$ 35,000	\$22,006.00	100%	Upgrade completed, currently final stages adjustments and fault finding.
	Mossman WWTP: Inlet works, screening and grit removal	\$ 10,060.00	\$ 330,000	\$0.00	10%	Tenders evaluated. Budgeted amount not sufficient to finance the project. More certainty required from EHP and the outcome of further upgrades. Project moved into 16-17 capital program.
	Mossman WWTP: Mossman control office and smoko /meeting room	\$ 81,236.37	\$ 80,000	(\$1,236.37)	100%	Completed.
	Mossman WWTP: River Bank Stabilisation (Junction South Mossman and Mossman Rivers)	\$ 48,220.00	\$ 40,000	(\$8,220.00)	100%	Survey and design completed. Work delivery program budgeted in 16/17.
	Sewer Pump Stations: VSD drives installation A, 4E,4A	\$ -	\$ 80,000	\$0.00	33%	Proposal for upgrade submitted and being reviewed.
	Sewer Pump Stations: SPS's pump replacement	\$ 42,988.46	\$ 40,000	(\$2,988.46)	100%	Ordered and installed some replacement pumps. Pumps have been replaced at SPS 4A,4B.
	All Sewer Pump Stations: Switchboard and pipework upgrade	\$ 81,850.57	\$ 120,000	\$0.00	75%	Completion in August 16
	Sewer Pump Stations: Replace pump station safety lids	\$ 26,846.43	\$ 30,000	\$3,153.57	100%	Completed.
	Sewer pump station safe access : MA	\$ 30,335.93	\$ 80,000	\$49,664.07	100%	Completed with some minor alterations to occur.
	Sewer Pump Stations: Telemetry; replace radios	\$7,230.00	\$ 80,000	\$72,770.00	100%	All radios installed and operating. Majority of works completed under telemetry project.
	Sewer Reticulation: Manhole rehabilitation and sealing	\$ 69,177.84	\$ 100,000	\$30,822.16	100%	Pump stations prioritising completed; Work continues,SPS Bale and sewer manholes Port Douglas & Mossman completed.
	Sewer Reticulation: Sewer relining	\$ 743,369.47	\$ 1,000,000	\$0.00	75%	Work was done on prioritised relining in Mossman. Work has been completed in Mossman & Port Douglas 150mm ,225mm,300mm& 375mm . Final work to be completed on Port Douglas 300mm sewer main August 16. Works then continue with additional budget through 16/17. Tender requirements delayed project start.
	MWTP Turbidity Monitoring Project	\$ 36,313.69	\$ 48,000	\$11,686.31	100%	Completed
	MWTP UF Racks	\$ 32,858.78	\$ 45,000	\$12,141.22	100%	Completed
	MWTP Gas Chlorine Installation	\$ 220,696.72	\$ 340,000	\$0.00	55%	Off site building fabrication complete, fit out in progress, site works to commence 6-8 weeks. Delay caused by boundary alignment issues with the current plant on the road reserve. A redesign was required to progress the project.
	Flagstaff Reservoir Gas Chlorination Project	\$ 101,707.01	\$ 160,000	\$58,293.00	100%	Completed. Commissioning underway.
	Daintree WTP Bank Stabilisation Project	\$ -	\$ 130,000	\$0.00	5%	Requires outsourcing. Planned in house work has exceeded engineering capacity.
	Whyanbeel WTP Chemical Dosing System Upgrade	\$ 24,324.15	\$ 20,000	(\$4,324.15)	100%	Completed.
	Rocky Point Reservoir Gas Chlorination Project	\$ 95,252.51	\$ 70,000	(\$25,252.51)	100%	Completed. Final commissioning underway.
	WTPs SCADA Citec Systems Upgrade	\$ 70,000.00	\$ 70,000	\$0.00	100%	Completed. Final commissioning.
	WTPs Telemetry RTU Upgrades	\$ 35,000.00	\$ 37,000	\$2,000.00	100%	Completed
	WTPS Radio Network Upgrades	\$ 70,000.01	\$ 80,000	\$9,999.99	100%	Completed
	Drinking Water Storage Sealing Investigation	\$ 11,000.00	\$ 300,000	\$0.00	30%	Investigation completed by specialist Contractor. Review of delivery underway in conjunction with Craiglie roof.
	Craiglie Reservoir Roof Replacement	\$ -	\$ 300,000	\$0.00	30%	Investigation completed by specialist contractor. Requested Quotes from several contractors and re-budgeted for in 2016/17 budget. The project is currently being reviewed in light of internal structural requirements and the ability to complete certain works with the reservoir on line.
	Newell Beach Upgrade Reticulation Main	\$ 55,448.39	\$ 80,000	\$24,551.61	100%	Completed
	Newell Beach Esplanade Replacements Mains	\$ 54,324.50	\$ 80,000	\$25,675.50	100%	Completed

Status (Traffic Light)	Capital Works Project	Expenditure to date (committed)	Original budget	Budget Variance on Completed Projects	% Complete	Comment
	Miallo to Syndicate Road Connection Trunk Main	\$ 12,344.79	\$ 25,000	\$12,655.21	100%	Completed
	Daintree Intake Trunk Main Controls	\$ 6,077.58	\$ 20,000	\$13,922.42	100%	Completed
	Port Douglas Reservoir Access Road	\$ -	\$ 355,000	\$0.00	10%	Awaiting weather conditions to improve so as to progress earthworks. Cane only recently cut.
	Mossman Water Supply Security Scheme	\$ 115,711.01	\$ 300,000	\$184,288.99	100%	Phase 2 Completed. Survey to investigate alternative sources completed. Final report to bring to Council.
	Installation of Fire Hydrant @ 4 Mill Street	\$ 19,658.58	\$ 85,000	\$65,341.42	100%	Completed. Allocated \$20,000 to the Macrossan Street Bin Project #PCPS049 & \$45,000 to the Mossman Pool lighting project.
	Diggers Bridge	\$ 21,365.84	\$ 225,000	\$203,634.16	100%	Replacement of members completed in October 2015. Level 2 inspection report, condition 4 and replacement recommended and as a consequence re-budget for replacement in 2016/17.
	Rykers Road - Seal	\$ 285,111.92	\$ 285,112	\$0.00	100%	Completed
	Newell Beach Groyne & Sand Replenishment	\$ 48,445.72	\$ 35,000	(\$13,445.72)	100%	Completed. Monitoring and reporting underway.
	Cow Bay Toilet Block	\$ 75,666.44	\$ 80,000	\$4,333.56	100%	Completed. An emergent project.
	Dixies shed	\$ 37,318.00	\$ 45,000		80%	Contractor working on site in July/August after third RFQ. An emergent project that went through RFQ stage 3 times.
	Mowbray water pipeline upgrade 2015'16	\$ 95,000.00	\$ 272,000	\$177,000.00	100%	Stage 1 to Glengarry completed. Stage 2 Glengarry south 2016/17 requires a balance of budget.
	Port Douglas Waterfront	\$ 47,980.00	\$ 50,000		75%	Drainage works completed, Public Place Recycle Bins supplied. Await delivery of drinking water fountains for installation.

\$7,206,954.45	\$ 12,829,005.92	\$ 1,444,737.25	87%	<u>Average completion</u>
			75	<u>Number of completed projects</u>
			101	<u>Total number of projects</u>