

## 5.7. CAPITAL WORKS PROGRESS REPORT FOR THE 1ST QUARTER 2016 - 2017

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**DEPARTMENT:** Operations

### RECOMMENDATION

**That Council receives and notes the progress of the Capital Works Program for the period 1 July 2016 to 30 September 2016.**

### EXECUTIVE SUMMARY

Council adopted a capital work budget in excess of fourteen (14) million dollars for the 2016 – 2017 financial year. Attachment 1 to this report details the progress of the Capital Works Program for those works with a budget of \$10,000 or more for the period of 1 July to 30 September 2016.

The majority of works have progressed in line with expectations and as at 30 September 2016 6 projects have been fully completed. Of the completed projects 5 have been finalized under budget, achieving a saving to Council of \$84,000. Importantly, these savings will cover the budget overrun on any other projects throughout the year. A more complete budget variance will be reported to Council in future Capital Works Progress Reports and at the 2016/2017 mid year Budget Review.

Overall, the delivery of the 2016 – 2017 capital works program has been satisfactory with a 16% overall completion of the Program to 30 September 2016. It is anticipated that with new management skills being gradually introduced into the organisation that better project planning, five-year project programs and improved project delivery will occur. It has been apparent that there is a need for the up-skilling of Council staff in project planning, management and delivery. 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 2016 - 2017 financial year. Attachment 1 gives a summary of the progress of the capital works program for the period 1 July to 30 September 2016. 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

A shaded month column is also provided in the attachment which shows the anticipated starting month and the months where work is expected to occur and conclude.

### COMMENT

Delivery of the capital works program will be monitored regularly through a newly created Capital Works Project Control Group (PCG) fortnightly meeting. The members of the Capital Works PCG are General Manager Operations, General Manager Corporate Services, Manager Infrastructure, Manager Finance & IT and the Project Engineer. The PCG will have oversight of all capital works projects and this will allow the group to understand the risks,

delivery methods and procurement processes for each project and concentrate resources on projects that are lagging.

During the first quarter, a number of projects have reached completion. Below is a list of completed projects:

1. Cowrie Range Concrete Pavement Upgrade;
2. Bitumen Reseal Program;
3. Kerb & Channel Renewal Program (Quaid and Mossman Streets – Mossman);
4. Warner Street – Port Douglas footpath upgrade;
5. Port Douglas Community Hall - Replace Ceiling Lights;
6. Concrete Beam in the Port Douglas lawn cemetery.

Preliminary investigations on a number of projects has lead to changes in project scopes. Once the amended project scopes are finalised a report will be prepared to Council to detail the budget changes in the budget review process. Below is a list of projects where the scope will be amended:

1. Mossman Wastewater Treatment Plant river bank stabilisation (Timing and scope);
2. Replacement of Craiglie Reservoir Roof (Deferred);
3. Cow Bay transfer station traffic ramp upgrade (Rescoping);
4. Killaloe transfer station package plant (Rescoping).

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. In addition, 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 Quarter 1 2016/2017

Status (Traffic Light)	Capital Works Project	2016/17 Expenditure to Date (actuals & committed)	Original budget	Budget Variance on Completed Projects	% Complete	Comment
	Mossman Library Painting	\$ 576.06	\$ 85,000	\$0.00	30%	RFQ has been sent out, Work due to start in Novemebr 16
	Mossman Show Grounds - Paint and Re-Seal Grandstand	\$ 403.24	\$ 25,000	\$0.00	60%	Contract Signed and work under way
	Mossman Administration Building - External Painting	\$ 115.22	\$ 50,000	\$0.00	30%	RFQ has been sent out, Work due to start in Novemebr 16
	Port Douglas Community Hall - Paint Outside of Building	\$ 172.82	\$ 70,000	\$0.00	30%	RFQ has been sent out, Work due to start in Novemebr 16
	Port Douglas Community Hall - Replace Ceiling Lights	\$ 13,730.42	\$ 25,000	\$11,269.58	100%	Lights have been installed, completing documentation
	Fire Hoses for Mossman Van Park	\$ 3,105.42	\$ 30,000	\$0.00	20%	Sourcing Quotes for design.
	Fire Hoses for Wonga Van Park	\$ 2,990.21	\$ 30,000	\$0.00	20%	Sourcing Quotes for design.
	Wonga Van Park - Electrical Supply Upgrade	\$ 230.42	\$ 95,000	\$0.00	20%	Submission sent to Ergon 12/10/2016 , waiting for response.
	Daintree Ferry - Led Sign for Ticket Office	\$ -	\$ 35,000	\$0.00	15%	Scoping Project
	Port Douglas Sugar Wharf - Hand Rail for Rock Wall	\$ 172.82	\$ 15,000	\$0.00	20%	Exemption certificate sent to EHP for approval.
	Printer / Scanner Refresh Program	\$ -	\$ 10,000	\$0.00	0%	Due to commence 2017.
	Network / Phones / Infrastructure Refresh Program	\$ 18,418.00	\$ 28,000	\$0.00	50%	New wireless link to be commissioned 26/11/2016.
	Additional Software Licences for Extra Staff	\$ 6,173.76	\$ 7,500	\$0.00	80%	Ongoing
	Security Camera Systems	\$ -	\$ 18,000	\$0.00	50%	Quote obtained. Cameras ordered.
	Access Logging Software for On-Call / Scada Officers	\$ -	\$ 5,000	\$0.00	0%	To commence 2017.
	Community Enterprise Suite Software Decommissioning	\$ -	\$ 40,000	\$0.00	0%	Not going ahead 2016/17. On hold.
	Phone System - Collaborative Edge (Jabber)	\$ -	\$ 25,000	\$0.00	0%	On hold
	Daintree Cash Registers & Wi-Fi Refresh	\$ -	\$ 60,000	\$0.00	0%	Commence 2017
	Fleet Replacement as Per Program	\$ 59,849.54	\$ 400,000	\$0.00	10%	1 vehicle purchased plus deposit on ride on lawnmowers
	Replace Tip Truck		\$ 225,000	\$0.00	5%	Truck specification agreed and quotes being sort
	Quick Spray Unit for Polaris	\$ -	\$ 15,000	\$0.00	0%	Quote obtained.
	Spray Seal Program	\$ 353,606.48	\$ 400,000	\$46,393.52	100%	Work completed during August 2016
	Asphalt Program	\$ -	\$ 400,000	\$0.00	5%	Projects scoped and list issued to FNQROC for regional procurement. Tender in December 2016
	Pavement Rehabilitation	\$ -	\$ 400,000	\$0.00	0%	Carparks in Macrossan Street in conjunction with DTMR Project, awaiting quotes from DTMR.
	Diggers Bridge	\$ 2,167.60	\$ 620,000	\$0.00	20%	Consultant Engaged to prepare Detailed Design and Documentation
	Polettis Bridge	\$ 1,156.04	*	\$0.00	5%	Confirmed Scope and reviewing delivery options. * Part of overall bridge replacement budget of \$650,000
	Stewarts Creek Bridge	\$ -	*	\$0.00	5%	Confirmed Scope and reviewing delivery options. * Part of overall bridge replacement budget of \$650,000
	Alchera Drive Footpath	\$ -	\$ 80,000	\$0.00	5%	Scoped and Construction to begin in April 2017
	Quaid Street K&C renewal	\$ 47,802.81	\$ 50,000	\$2,197.19	100%	Completed
	Mossman Street K&C renewal	\$ 103,135.23	\$ 50,000	(\$53,135.23)	100%	Completed. More kerb and channel damaged. Asphalt replaced. Overrun to come from asphalt program.
	Gravel Roads Renewal Program	\$ 75,498.58	\$ 500,000	\$0.00	30%	Roads south of the Daintree River are completed and crews are north of the river until December 2016
	Warner Street Port Douglas - Upgrade Footpath between Grant and Wharf Streets	\$ 16,420.39	\$ 30,000	\$13,579.61	100%	Works completed august 2016

Status (Traffic Light)	Capital Works Project	2016/17 Expenditure to Date (actuals & committed)	Original budget	Budget Variance on Completed Projects	% Complete	Comment
	Mowbray River Fishing Platform	\$ -	\$ 100,000	\$0.00	0%	To commence consultation early 2017.
	Port Douglas Road - Service Road Upgrade	\$ 23,263.43	\$ 170,000	\$0.00	25%	Construction Contract Awarded at Ordinary Meeting of 2/11/2016 to Northern Civil Earthworks. Construction to be completed by mid January 2017
	Cowrie Range Bloomfield Track	\$ 524,113.79	\$ 422,000	(\$102,113.79)	100%	Construction completed and On Maintenance period commenced on the 28th October 2016. Remaining budget carried forward from 15/16
	Flagstaff Hill Scenic Lookout Upgrade	\$ -	\$ 75,000	\$0.00	0%	Look at possible designs in early 2017.
	Stewarts Creek Road - Widening at narrow one lane section, Chainage 3.110		\$ 10,000	\$0.00	0%	Design only in 16/17
	Flagstaff Hill Walking track		\$ 150,000		5%	Design complete.
	Daintree Gateway Development Stage 3		\$ 250,000		5%	Design complete.
	Upgrade to Power Supply for Dixie Park and Rex Smeal Park	\$ -	\$ 35,000	\$0.00	5%	Scoping Project
	Improvements to Macrossan Street		\$ 100,000	\$0.00	5%	Being scoped.
	Installation of Water Bubbler / Bottle Filler x 2 in Front Street / Raintrees Area		\$ 25,000	\$0.00	5%	Being scoped.
	Installation of Street Art in Macrossan Street and Front Street		\$ 55,000	\$0.00	0%	Art Strategy to be adopted in January 2017 - this will provide guidance for public art projects.
	Footpath between Foxton Bridge and north Mossman		\$ 80,000		60%	Asphalt from railway line to North Mossman complete. Remaining funds will be spent on railway line to Foxton Bridge section.
	Rex Smeal Park soffitfall	\$ 20,933.28	\$ 25,000	\$0.00	20%	Purchase Order Issued and Contractor Engaged
	Electric BBQ Renewal Program	\$ -	\$ 12,000	\$0.00	10%	Priority sites identified.
	Park Shelter Renewal Program	\$ -	\$ 15,000	\$0.00	20%	Priority sites identified as three shelters on Port Douglas Esplanade.
	Shade Sails Compliance Priority No.1	\$ -	\$ 25,000	\$0.00	20%	Sites inspections for Condition Assessment completed. RFQ commenced
	Shade Sails Compliance Priority No.2	\$ -	\$ 25,000	\$0.00	20%	Sites inspections for Condition Assessment completed. RFQ commenced
	Port Douglas Cemetery Beam	\$ 10,080.00	\$ 20,000	\$9,920.00	100%	Works Completed in September
	Disability Access to Four Mile Beach at The Lifeguard Hut	\$ 115.46	\$ 30,000	\$0.00	5%	Review with stakeholders. Meeting on site 17/10/16. Design phase commenced
	Concept Investigation for Wangetti Trail	\$ 24,975.00	\$ 25,000	\$0.00	60%	Company World Trail commissioned to prepare concept plan.
	Automatic Water Level Gauge at Barratt Creek, Daintree	\$ -	\$ 30,000	\$0.00	5%	Preparing Project Procurement Documentation
	Gas Chlorination Project Whyanbeel Water Treatment Plant (WTP)	\$ 106,120.41	\$ 170,000	\$0.00	50%	Buildings ordered. Site inspection for installation undertaken.
	Secure Water Infrastructure	\$ -	\$ 15,000	\$0.00	5%	Ongoing
	Upgrade of Control Systems At Mossman WTP	\$ -	\$ 30,000	\$0.00	5%	Purchasing of equipment underway.
	Water Supply Security - Mossman Supply Scheme	\$ -	\$ 36,500	\$0.00	5%	Consultancy in progress.
	Refurbish Craiglie Water Pump Station Building	\$ 12,942.53	\$ 40,000	\$0.00	25%	Roof has been replaced.
	Fit New Control Valves to Daintree WTP	\$ 531.00	\$ 15,000	\$0.00	15%	Purchasing of equipment underway. Some install complete
	Replace Daintree WTP Service Water Pumps and Prefilter System	\$ 9,264.98	\$ 12,000	\$0.00	80%	Equipment purchase underway.
	Replace Daintree Compressed Air Dryer System and Wago Air Valve Control Systems	\$ 13,986.96	\$ 20,000	\$6,013.04	100%	Completed
	Replace Whyanbeel Compressed Air Dryer System and Air Valve Control Systems	\$ 11,393.25	\$ 17,000	\$0.00	50%	Compressed air dryer replaced, purchasing for additional equipment underway.
	Replace Whyanbeel Back Wash Water Filter System and Residual Pumps	\$ -	\$ 16,000	\$0.00	5%	Sourcing quotations, equipment suppliers.
	Investigate Back Wash Water Discharge and Re-Use Options at Mossman WTP	\$ -	\$ 45,000	\$0.00	5%	Engaged engineering process consultant to review.

Status (Traffic Light)	Capital Works Project	2016/17 Expenditure to Date (actuals & committed)	Original budget	Budget Variance on Completed Projects	% Complete	Comment
	Replace Wago Compressed Air Valve Control Systems at Mossman WTP	\$ -	\$ 11,000	\$0.00	5%	Purchasing of equipment underway.
	Chlorination Project Daintree WTP	\$ 14,960.00	\$ 100,000	\$0.00	15%	Equipment purchased installation underway.
	Daintree WTP Bank Stabilisation Project	\$ -	\$ 130,000	\$0.00	5%	Project is being coordinated by Infrastructure Engineering, initial engineering assessment underway.
	Drinking Water Storage Sealing Investigation	\$ 21,907.69	\$ 150,000	\$0.00	15%	Investigation completed by specialist Contractor, await report with recommendations. Contacted possible contractors to start procurement process. Minor works completed using local contractors.
	Craiglie Reservoir Roof Replacement	\$ 13,312.16	\$ 120,000	\$0.00	15%	Change of scope proposed. New proposal to be evaluated and estimated prior to acceptance.
	Replacement of Johnson Screen and Renew Remaining Raceway	\$ -	\$ 50,000	\$0.00	5%	Design phase.
	Replacement of Water Supply Mains	\$ 32,412.20	\$ 80,000	\$0.00	30%	D'Addona Rd and Atoll CI completed.
	Replacement of aging asbestos cement water mains		\$ 80,000		0%	To commence January 2017 (weather permitting)
	Upgrade of Mowbray River Road Water Mains - Stage 2	\$ -	\$ 80,000	\$0.00	0%	On hold
	Daintree Intake - Safe Access for Workers to Maintain and Monitor Intake	\$ 32,000.00	\$ 30,000	\$0.00	60%	Order raised. Work about to commence.
	Port Douglas 20ML Reservoir	\$ 18,781.19	\$ 5,000,000	\$0.00	5%	Applied for Federal Grant funding to complement the \$5M State Grant. Several modifications are made to improve functionality. Design review underway.
	Water Supply Security - Mossman Supply Scheme		\$ 310,000		5%	GHD reassessing report. Council Officers meeting with GHD 10/11/16.
	Mossman WWTP: inlet works, screening and grit removal		\$ 190,000		10%	Tenders received. Evaluating tenders.
	Mossman WWTP - Upgrade of Plant to meet Flow Requirements in EHP Licence and Quality Requirements for Recycled Water	\$ 49,410.62	\$ 200,000	\$0.00	25%	Project underway.
	Mossman WWTP: River bank stabilisation (Junction South Mossman and Mossman River) possibly an infrastructure project	\$ 28,485.00	\$ 880,000		10%	Additional design and soil testing required to verify the slope stability analysis. Redesign underway.
	Port Douglas SBR Process Control Systems and Entire Aeration System	\$ -	\$ 30,000	\$0.00	5%	Met with EHP. Design phase.
	Sewer Pump Stations - Pump Replacement	\$ 37,157.00	\$ 50,000	\$0.00	75%	Placed order with Xylem for replacement pumps SPS A. Further pumps purchased and due to be replaced.
	All Sewer Pump Stations - Switchboard, Soft Starters, VSD's, Telemetry, Flow Monitoring and Infrastructure Connection Upgrade	\$ 13,000.00	\$ 150,000	\$0.00	10%	Review of pressure main issue at Craiglie - Cardno designing.
	Sewer Pump Stations - Replace Pump Station Safety Lids	\$ 9,478.20	\$ 35,000	\$0.00	20%	Commenced.
	Sewer Reticulation - Manhole Rehabilitation and Sealing	\$ 2,950.00	\$ 80,000	\$0.00	10%	Received quote. Now in contract phase.
	Sewer Reticulation: CCTV investigation, sewer relining of reticulation system and refurbishment of house connection branches		\$ 1,000,000		10%	Commenced smoke testing in Mossman and CCTV sewer inspections.
	Cow Bay Transfer Station - Site office Renewal	\$ -	\$ 50,000	\$0.00	10%	Change of scope proposed.
	Cow Bay Transfer Station - Traffic Ramp Upgrade	\$ -	\$ 61,000	\$0.00	10%	Change of scope proposed.
	Killaloe Transfer Station - Additional Surveillance	\$ -	\$ 17,000	\$0.00	10%	Quotes. Investigating stages.
	Killaloe Transfer Station - Recycle Shop Drop Off Point	\$ -	\$ 20,000	\$0.00	0%	To commence 2017.
	Killaloe Transfer Station - Construction of an Enclosed Shed for Cardboard Storage	\$ -	\$ 50,000	\$0.00	0%	To commence 2017.
	Daintree Transfer Station - Reinstatement of Boundary Fence	\$ -	\$ 10,000	\$0.00	0%	To commence early 2017.
	Installation of Additional Public Place Recycling Bins	\$ 5,702.73	\$ 30,000	\$0.00	10%	Commenced installation of some bins.
	Feasibility and Design - Cape Tribulation Transfer Station	\$ -	\$ 20,000	\$0.00	0%	To commence 2017.