

**KAIKOURA DISTRICT COUNCIL WORKS AND SERVICES  
COMMITTEE MEETING HELD AT 9.00AM ON WEDNESDAY  
18 AUGUST 2010 IN MEMORIAL HALL SUPPER ROOM,  
ESPLANADE, KAIKOURA.**

**AGENDA**

1. *Apologies*

2. *Matters of Importance to be raised as Urgent Business.*

3. *Matters Arising from Report of 21/7/2010*

*page 93*

4. *Minutes Action and Issues List Update*

MEETING	ACTION REQUIRED	BY	DATE ACTIONED
	<i>16 JUNE 2010</i>		
Works & Services	Investigate how cars can be kept off the verges at Jimmy Armers Beach and Seal Colony areas.	Asset Manager	Report included in agenda refer page 3

5. *Reports:*

- **Works and Services Report** *page 1*
- **Roading Report** *page 7*
- **Works and Services Budget Report** *page 32*

6. *Urgent Business*

7. *Works & Services Public Excluded Session*

*Moved, seconded that the public be excluded from the following parts of the proceedings of this meeting, namely*

*a. Confirmation of report of Works & Services public excluded 21/7/2010*

*The general subject matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) and 7 of the Local Government Information and Meetings Act 1987 for the passing of this resolution are as follows:*

General subject of each to be considered	Reason for passing this resolution in relation to each matter	Grounds of the Act under which this resolution is made
Confirmation of report of the Works and Services Public Excluded meeting 21/7/2010.	The exclusion of the public from the whole or the relevant part of the proceedings of the meeting is necessary to enable the Local Authority to deliberate in private on its decision or recommendation.	<b>Section 48(1)(a) and 7(2)(b)(ii)</b>

# WORKS AND SERVICES REPORT

## 1.0 WATER SUPPLY

### *Urban Water*

#### **Operations – Kaikoura Urban Supply**

The Kaikoura Urban supply operated fairly well during the reporting month.

#### **Operations – Suburban Supply**

During the reporting month there were some complaints of dirty water entering the system served by this supply. This is expected and as this area is served by the Waimangarra River.

### **Water Demand**

Table 1 below shows the water demand for the reporting month measured from the Mackle's bore while figure 1 on page 5 shows the yearly cumulative water demand since 2007.

For the month of July 2010 the water demand was 81,221m<sup>3</sup> whereas for the month of June 2010, the total water demand was 78,528m<sup>3</sup>.

<i>Water Demand (m<sup>3</sup>/day)</i>				
	<i>Min (m<sup>3</sup>)</i>	<i>Avg (m<sup>3</sup>)</i>	<i>Max (m<sup>3</sup>)</i>	<i>Total Demand (m<sup>3</sup>)</i>
<i>May 2010</i>	2372	2773	3168	85,962
<i>June 2010</i>	2487	2618	2775	78,528
<i>July 2010</i>	2303	2620	2852	81,221

**Table 1: Water Demand for reporting period**

### **Kincaid Water Supply**

There were no major problems within the Kincaid supply for the month of June.

### ***Water Upgrades /Renewal Projects - Capital Assistance Programme (CAP)***

Works funded by the Capital Assistance programme are underway.

1. ***Fords Tank*** – Apart from minor works the erection of the tank is complete and has been filled with water to test for any leaks and to enable the contractor to complete the installation of the holding down bolts. The pipe works have been completed and the installation of the telemetry control is underway. It is envisaged that the system will be commissioned by the end of August.
2. ***Peninsula Tank*** –an application for the alteration to the existing designation at this site has been lodged with Council. Once this aspect is finalized and the alteration has been granted Council will then implement the works for the erection of the tank.
3. ***Reticulation system*** –  
The renewal of the Deal Street water line is yet to commence.

## 2.0 SEWER SYSTEM

Table 2 below shows the average sewage flows for the reporting months as measured at the Mill Road pumping station while figure 2 on page 6 shows the sewage generation to date in comparison to previous years.

The total flow for the month of July 2010 was approximately 47,724m<sup>3</sup> (corrected to exclude storm-water inflows) whereas the flow for the month of June 2010 was 42,598m<sup>3</sup>.

<i>Sewage flows (m3/day) – Mill Rd</i>			
	<i>avg</i>	<i>max</i>	<i>Total Flow</i>
<b>May 2010</b>	1466/1877*		45,460/58,196*
<b>June 2010</b>	1469/1788*	1667/3889*	42,598/51,859*
<b>July 2010</b>	1491/1672*	1638/3342*	47724/53507*

**Table 2 : Sewage generated for reporting period**

\*The values with the asterisk represent the uncorrected figure (sewage generation with storm-water inflow)

The measured Dissolved Oxygen (DO) averaged 3.8mg/l for the reporting month.

### 2.1 Sewer Renewals

Adcock and Donaldson Contracting Limited have progressed with the sewer renewal works and hope to have sections of the sewer relined commencing the week of August 12, 2010.

### 2.2 Aerated Lagoon

Further information was forwarded to Environment of Canterbury for the processing of consent as it relates to the construction of the new pond. We are now awaiting consent conditions. Once these conditions have been received Council will seek quotes for the construction of the ponding system.

## 3.0 STORMWATER

### Urban Stormwater

There were no major issues for the reporting month despite the heavy rains.

## 4.0 PARKS AND RESERVES

The parks and reserves are in fair condition. During the reporting month the contractor has tried to maintain some of the areas as much as possible however the weather has severely hampered his progress in some areas.

### *Toms Track*

Council received the Geotechnical Report on Toms Track which in summary shows that in one section of the track there is significant slippage. At present the Biodiversity Officer has asked Department of Conservation for their input as to how best the track can be realigned so as to avoid the significant slippage area. Once this has been looked at Council will need to make a decision as to whether or not they would want to continue with the upgrade of Toms Track or whether it is best to close the track and look at other options of possible rerouting of the track. It must be emphasized that the track itself is located within a storm-water gully and is therefore prone to landslides.

***Gooches Playground***

During the reporting month Council staff finalized the revamping of the Gooches Beach Playground and replaced defective fittings on some of the playground equipment.



***Jimmy Armers Reserve***

At the June Council meeting it was requested that we investigate what options there were to prevent the reserve area along Jimmy Armers been damaged by car etc. Three possible options have been looked at:

1. Option 1 - Placing boulders along the area at 1.5m away from the edge of the seal and
2. Option 2 - Placing boulders along the area at 1.5m away from the edge of the seal and placing bollards in between the boulders.
3. Option 3 - Placing bollards along the area

The requirement inclusive of costing is shown in table 3 below.

Option	Description	Comments	Estimated cost
1	Placing boulders along the area at 1.5m away from the edge of the seal	The boulders will need to be placed so that it does not have any unpleasant aesthetic impact on the surrounding area and also so that the owners of Seal Swim can still access the area. Having boulders will not accomplish this.	\$800.00
2	Placing boulders along the area at 1.5m away from the edge of the seal and placing bollards between each boulder with one access secured by mooring chain	This will look more pleasant when compared to option 1 as the need for lots of boulders will not be required and the reduced spacing can be accomplished with the bollards. To do this will require an Archeological Authority from Historic Places Trust.	\$1,920.00
3	Placing bollards along the area	Similar to option 2 this will require an Archeological Authority from Historic Places Trust. Additionally an Archelologist will be required when the work is been carried out	\$3,100.00

**Table 3: Pricing for securing Jimmy Armers Reserve**

***Recommendation:***

***Based on the above it is recommended that Option 2 be implemented. This can be funded from parks and reserve maintenance budget (Esplanade and foreshore).***

**5.0 PUBLIC TOILETS**

There were no major problems with the public conveniences during the reporting month.

The Harbour Warden has been carrying out a facelift on the Gooches Beach toilet. The facility has been painted and some repairs to fittings etc have been made. In addition he is also using some of the pavers that were rejected by Council and donated to Council by the suppliers during the West End Footpath upgrade to provide a walkway around the facility as shown in the pictures below.



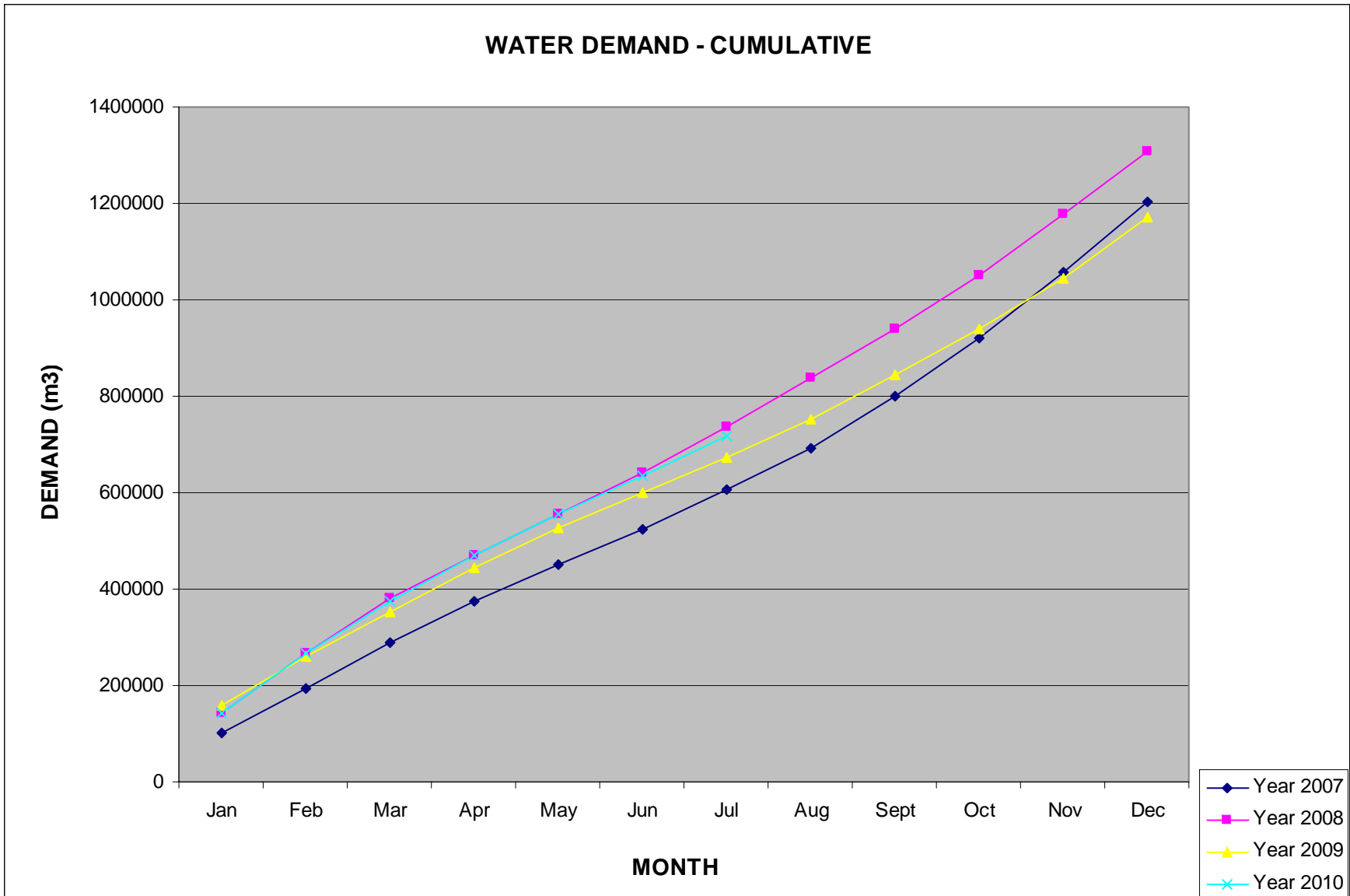


Figure 1: Yearly Cumulative Water demand

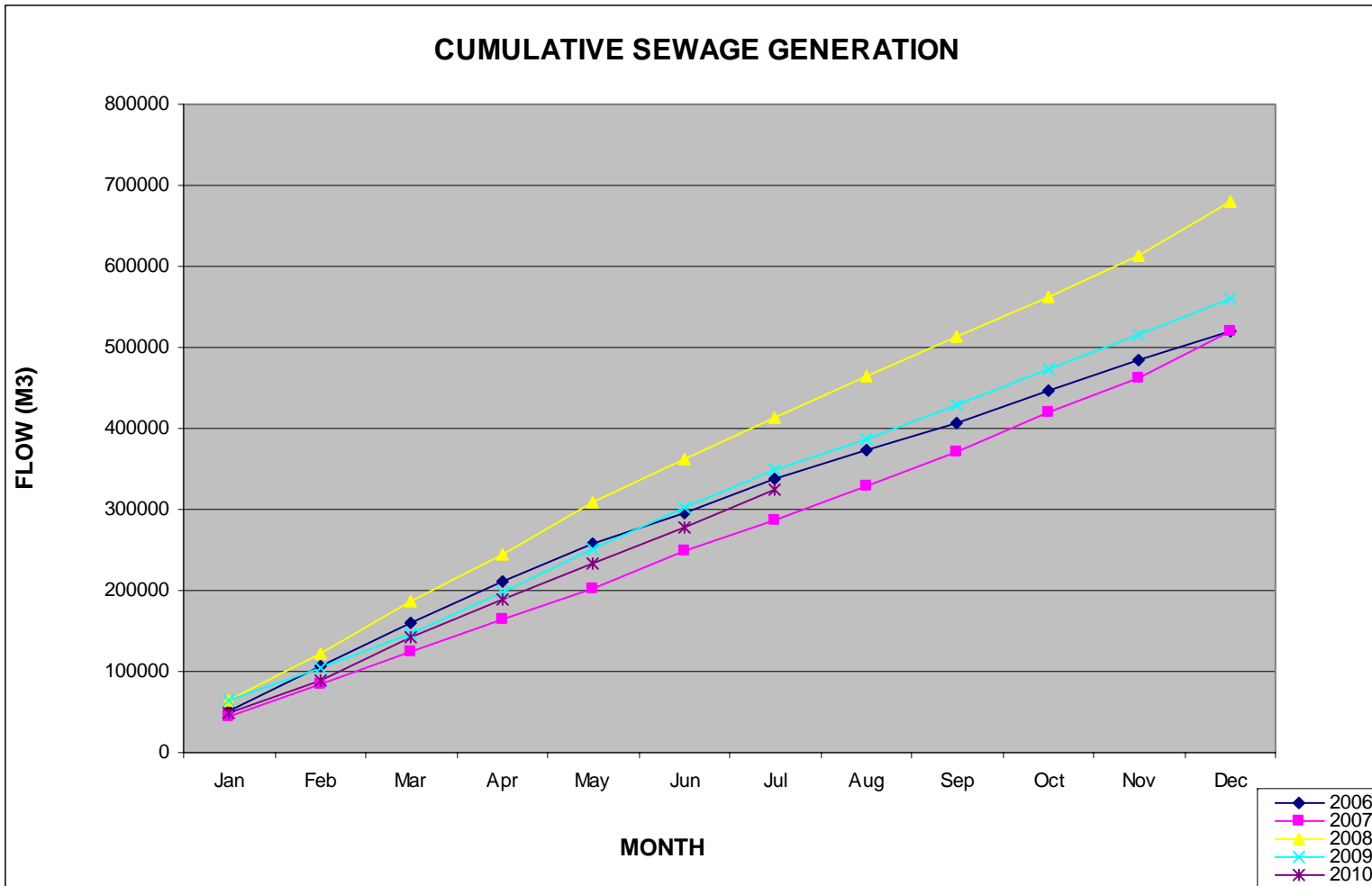


Figure 2: Yearly Sewage Generation

# **ROADING REPORT**

## **1.0 Roading Procurement Strategy**

Under the Land Transport Management Act 2003 (LTMA) it is a requirement of Kaikoura District Council to develop and have in place a Procurement Strategy outlining the approved procedures to be used to procure all activities that are subsidized by New Zealand Transport Agency (NZTA) through the National Land Transport Programme (NLTP).

The main objective of this requirement is to enable roading authorities to gain best value for money when procuring works. This is also a statutory obligation under s25 of the LTMA. The Procurement Strategy has been developed and is included on page 14 for Council's endorsement.

## **2.0 May - July Floods**

The emergency funding application for the restorations works lodged with New Zealand Transport Agency for rainfall events from May 25<sup>th</sup> - 28<sup>th</sup>, 2010 and 26<sup>th</sup> -27<sup>th</sup> June 2010 has been approved.

On 23<sup>rd</sup> July 2010 there was again a heavy downpour of rain causing localised damage to some of the roads and the Smith's Bridge pier, which was restored last year, had been washed out again. We have asked the contractor for a report and a price to restore the bridge. Given that this is the second time this pier has been washed out by high floods we are looking at options to do away with the centre pier and make this section a single span.

## **3.0 Deal Street – No Exit**

An investigation into a solution to stop vehicles driving to the West End from Deal Street has been undertaken. A no exit sign existed at the SH1 Deal Street intersection but according to some residents in Deal Street this sign is not effective. A new no exit sign and a roundabout have now been painted on the road at the intersection of Takahanga Terrace and Deal Street.

## **4.0 Quality**

There were no quality issues during July 2010.

## **5.0 Environmental**

There were no environmental issues in July 2010.

## **6.0 Traffic Control**

There were no traffic control issues to report for the period.

## **7.0 Emergency Work**

July rains of 23<sup>rd</sup> damaged the Smiths Bridge – one of the piers got washed out.

## **8.0 Inspections**

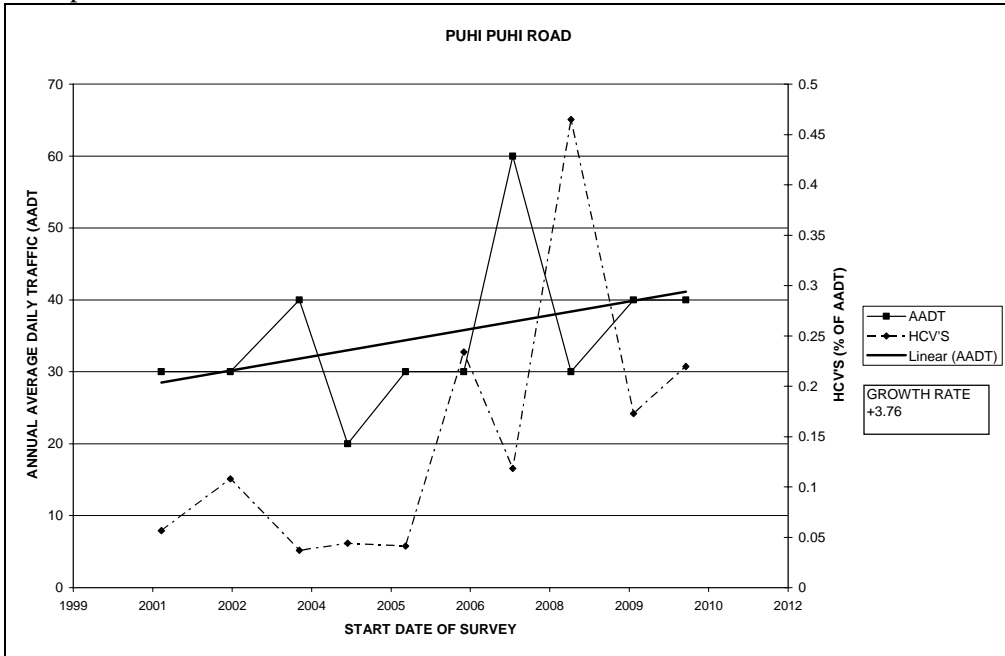
The monthly roading inspection is being carried out as specified.

## **9.0 Traffic Count**

Traffic Count for the month of July 2010 included the following roads;

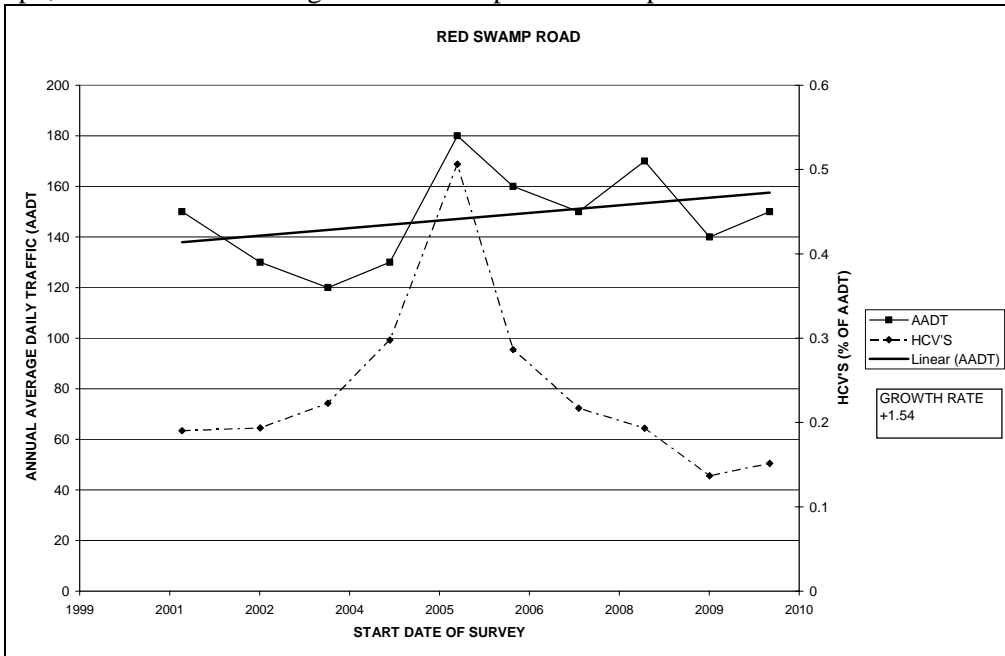
**Puhi Puhi Valley Road – 35 Vehicles per Day (vpd)**

The average daily count for Puhi Puhi Valley Road from 2001 to 2010 is 35 and the overall AADT growth rate since 2001 is 3.76%. No vehicles were recorded as travelling at more than 100 kph.



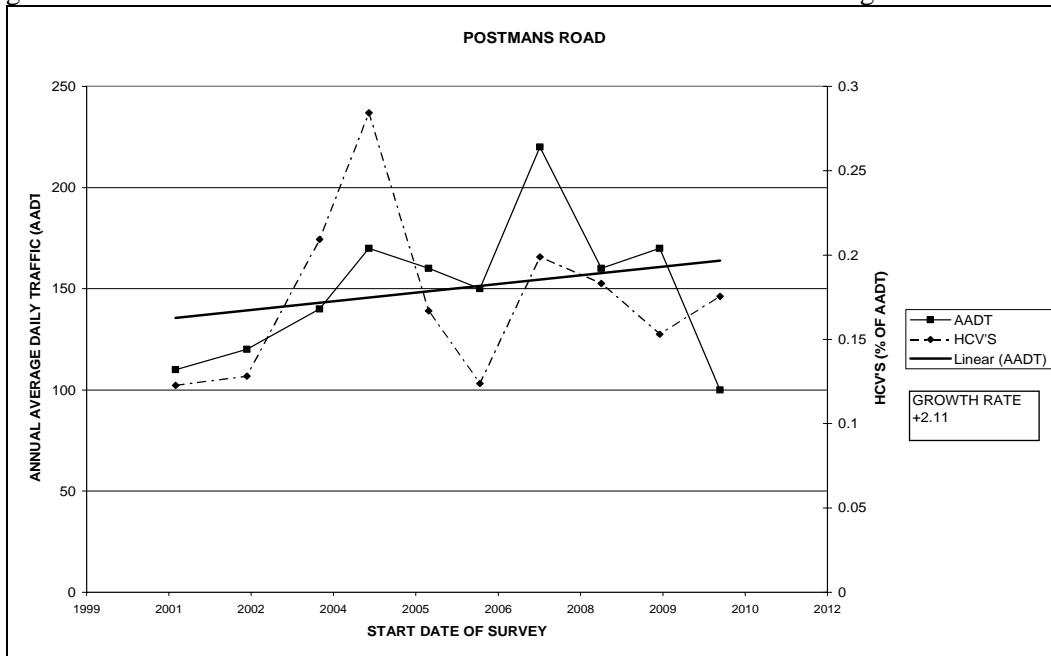
**Red Swamp Road – 148 vpd**

The average daily count for Red Swamp Road from 2001 to 2010 is 148 and the overall AADT growth rate since 2001 is 1.54%. 7.8% vehicles were recorded as travelling at more than 100 kph, 6.5% where travelling between 100kpm and 110kpm.



### Postmans Road – 92 Vehicles per Day (vpd)

The average daily count for Postman road from 2001 to 2010 is 140 and the overall AADT growth rate since 2001 is 2.11%. 1% vehicles were recorded as travelling at more than 100 kph.



## 10.0 Monthly Performance Report

Performance Indicators	Type	Response	Number	Within Period	% Acceptable
Surfacing	Strategic	6 Weeks			
Surfacing	Local	8 Weeks			
Digouts	Strategic	6 Weeks			
Digouts	Local	8 Weeks			
Depressions	Strategic	6 Weeks			
Depressions	Local	8 Weeks			
Edge Break	Strategic	6 Weeks			
Edge Break	Local	8 Weeks			
Shoulder Maintenance	Strategic	6 Weeks			
Shoulder Maintenance	Local	8 Weeks	1	1	100%
Potholes	Strategic	2 Days	45	45	100%
Potholes	Local	7 Days	426	426	100%
Detritus & Slip Removal	Strategic	2 Days			
Detritus & Slip Removal	Local	7 Days	8	8	100%
Drainage	All	12 Hours	4	3	75%
Unsealed Pavement Potholes	Local	7 Days			
Unsealed Pavement Digouts	Local	6 Weeks			
Edge Marker Post	All	7 Days	32	32	100%
Signs and Chevrons	All	24 Hours	5	5	100%
Sight Rails and End Markers	All	48 Hours	8	8	100%

## 11.0 Summary of Work Completed in the Period

**KAIKOURA DISTRICT COUNCIL  
ROAD MAINTENANCE MANAGEMENT CONTRACT  
3 SEPTEMBER 2007 TO 30 JUNE 2010**

**MONTHLY WORK SUMMARY JULY 2010**

Road ID	Road Name	Potholes	Other Sealing	Emergency Work	Grading	Surface Debris	Drainage	Markerposts	Signs
3	AVOCA STREET					Clear slip Jimmy Armers			
100	BAY PADDOCK ROAD			Fill entrance to S Fords - Reshape shoulders and tidy up watertables					
103	BLUE DUCK VALLEY ROAD	101 potholes repaired		Clear slip at Ken Hamiltons					
104	BLUNTS ROAD			Reinstate Blunts Rd					
157	BURRELLS LANE				Graded				
107	CHAPMANS ROAD	15 potholes repaired			Graded				
108	CLARENCE VALLEY ROAD				Graded			Replaced culvert markers and clean out culverts	
109	DAIRY FARM ROAD			Reinstate Dairy Farm Rd					

112	FACTORY ROAD						Digout tree from ditch and lower shoulders on edge of road between road & ditch		
114	GLENCREE			Reinstate road and river work					
116	GRANGE ROAD			Reinstate Hapuku and Lon Creek Fords					
118	INLAND ROUTE RS00/0	21 potholes repaired		Ice Grit Blacks Cutting and Fernleigh, Little Linton- clear slips Greenburn and Kahutara			32 markers pegs - 2 culvert marker pegs		2 new School and Children signs and 2 new posts Lynton Downs School
155	INLAND ROUTE RS16/0	5 potholes repaired		Flooding signs Black Creek and Greenburn			remove stones Kahutara and Greenburn drains	Black's Creek BEM & post	BEM reinstated- right hand chevron Kahutara Bridge-
18	KAIKOURA DUMP ROAD								
19	KAIKOURA LOOKOUT ROAD					Clear slip out water table			
20	KAKA ROAD								
21	KEA ROAD								
122	KEKERENGU VALLEY ROAD			Clear slips					

23	KILLARNEY STREET UPPER								reinstate and concrete in 25 K curve sign
123	KIWA ROAD				Graded				
	LAKE HILLS ROAD		Excavate and widen roadway spread AP20						
	LOVERS LANE	49 potholes repaired			grade up AP20 on new section of road				
158	MCINNES ROAD						Swail Drain		
129	MOUNT FYFFE ROAD	12 potholes repaired		Clear single from build-up in water tables to prevent scouring road			Drainage work		cow crossing reinstated- replace chevron & post- Postmans Rd/Mt Fyffe Rd sign
134	POSTMANS ROAD	30 potholes repaired		Clean flooding rubble out of Lukes & Waiman Fords	Graded				
136	PUHI PUHI ROAD	218 potholes repaired		Reinstate John Mortons crossing- Clear slips and fill crossing to P Parsons Woolshed- cart boulders to					

				Jordon - Washout Rush job - Limestone corner and washouts on straights.- Reinstate John Mortons crossing #2					
142	SCHOOLHOUSE ROAD				Graded				replace chevron intersection with Mt Fyffe Rd
144	SILVER SPRINGS ROAD				Graded - Silver Springs Ford - George and McLean Fords				
34	SOUTH BAY PARADE						Soak pit		
150	WAIPAPA ROAD				Graded and Limestone Creek			Replaced culvert markers and clean culverts	
152	WIFFINS ROAD				Graded				



## **ROADING PROCUREMENT STRATEGY 2010-2016**



## **KAIKOURA DISTRICT COUNCIL PROCUREMENT STRATEGY 2010 – 2019**

<b>1</b>	<b>INTRODUCTION</b>	<b>1</b>
1.1	Procurement Strategy	1
1.2	Evidence of corporate ownership or internal endorsement of the procurement strategy.	1
1.3	Recommendation	1
<b>2</b>	<b>POLICY CONTEXT OF THE APPROVED ORGANIZATION</b>	<b>1</b>
2.1	Strategic objectives and outcomes.	1
2.2	Objectives and outcomes for the procurement strategy.	2
2.3	The NZTA’s procurement requirements and what they mean for the approved organization:	2
<b>3</b>	<b>PROCUREMENT PROGRAMME</b>	<b>3</b>
3.1	Kaikoura District Council Roading and Maintenance Programme	3
<b>4</b>	<b>PROCUREMENT ENVIRONMENT</b>	<b>5</b>
4.1	Analysis of supplier market.	5
<b>5.</b>	<b>PROCUREMENT MODEL - APPROACH TO DELIVERING THE WORK PROGRAMME</b>	<b>0</b>
<b>5</b>	<b>IMPLEMENTATION</b>	<b>2</b>
5.1	Capability and capacity:	2
5.2	Performance measurement and monitoring:	2
5.3	Communication plan:	2
<b>6</b>	<b>CONCLUSION</b>	<b>3</b>

# 1 Introduction

## 1.1 Procurement Strategy

Under the Land Transport Management Act 2003 (LTMA) it is the requirement of Kaikoura District Council to procure develop and have in place a Procurement Strategy outlining the approved procedures to be used to procure all activities that are subsidized by NZ Transport Agency (NZTA) through the National Land Transport (NLTP).

The main objective of this requirement is to enable roading authorities to gain best value for money when procuring works. This is also a statutory obligation under s25 of the LTMA.

One of the main planning documents within the Council that outlines the Vision, goals and objective for the roading network is the Long Term Council Community Plan. The vision for the roading network is for Council to provide “*a safe, efficient transport network* “. With this vision Council is entrusted to ‘*provide and maintain a safe and cost effective land transport system within the district and minimize effects on the environment*’.

To achieve these goals and visions the procurement strategy will provide the guidance to help procure contracts efficiently. It provides us with the opportunity to introduce flexibility into our current procurement system reflecting specifically what is best for Kaikoura situation.

## 1.2 Evidence of corporate ownership or internal endorsement of the procurement strategy.

Council will endorse the procurement Strategy and the Council’s Asset Managers will help implement and maintain the Procurement Strategy

## 1.3 Recommendation

It is recommended that:

NZTA endorse Kaikoura District Council’s procurement strategy for NLTP funded activity.

# 2 Policy context of the approved organization

## 2.1 Strategic objectives and outcomes.

The strategic objective as defined in the Kaikoura District Council Long Term Council Community Plan for Roothing is

*“to protect the safety of all road users, and protect strategic transport assets, while also providing for sustainable transport development and promoting alternative environmentally friendly modes of transport”.*

To achieve this objective the Community highlighted in the LTCPP that we need to –

*“Maintain and upgrade the district roading network in a **cost effective manner**, enhancing access and reducing nuisance of potholes, surface defects and dust”.*

**The Kaikoura District Plan** also identifies the following strategic goal relating to the condition of the roading services:

*‘To provide for the safe and efficient use of the District’s existing and future transportation infrastructure’.*

Some of the LTCPP goals for roading include:

- Maintaining and upgrading the district roading network, including progressively undertaking seal extensions.
- Educating users of Kaikoura roads about local road conditions
- Encouraging increased cycling by providing cycle lanes and cycle ways.

The Kaikoura District Roading Asset Management Plan and the Road Safety Management System are documents that are referenced and fed into the LTCPP vision for Roading.

## **2.2 Objectives and outcomes for the procurement strategy.**

The main goal of the Procurement Strategy is to set out the long term plan for this Council on **how to procure roading projects to help meet its long-term objectives**.

The Strategy will essentially form a structure to allow all stakeholders to work within this framework to ensure that all roading works procurement contribute to the Council’s Objectives.

This Strategy sets out guiding principles so that the **procurement process can add further value to the Council in delivering its objectives** rather than being merely a mechanism for purchasing goods and services.

## **2.3 The NZTA’s procurement requirements and what they mean for the approved organization:**

### **2.3.1 Value for money –**

The main goal is to provide best value for money at minimum risk in the most efficient and effective manner by instilling a collaborative approach to procurement which will help provide the following:

- cost savings
- reflecting the diversity of users.
- improved road safety for users and the workforce
- improved efficiency thereby reducing whole-life costs
- reduced risks
- protecting and enhancing the environment

### **2.3.2 Competitive and efficient markets**

The procurement strategy will help KDC to

- procure competitively and wisely thus achieving the best combination of price, quality and service;
- develop reliable and effective supply sources;
- given the fact that Kaikoura is geographically isolated we need to build up and maintain healthy relations with our suppliers;
- the procurement strategy will help us take advantage of simplification;

### **2.3.3 Fair competition among suppliers**

In the overall scheme of things, Kaikoura District Council is a very small council with a very small roading network to operate and maintain.

The existing procurement system used for roading projects is based on the CPP manual which has a big focus on lowest price instead of quality and value for money.

This Procurement Strategy will introduce flexibility into the existing procurement process and is a requirement of the NZTA Procurement Manual which replaces the old CPP Manual with effect from 1 October 2010, giving the Council the ability to be able to buy wisely.

The procurement process will focus more on efficiency and quality and at the same time ensure that there is fair competition and that procurement outcomes meet the overall strategy objectives.

In addition Kaikoura District Council will procure contracts over \$100,000 from contractors who have an environmental statement.

## **3 Procurement Programme**

### **3.1 Kaikoura District Council Roading and Maintenance Programme**

As part of the road network Kaikoura District Council (KDC) manages public roads (excluding SH1), bridges, footpaths, roadside drainage, traffic facilities and streetlights within the Kaikoura District. This management includes the operation, maintenance, renewal and improvement programs.

In addition to the management of physical assets, KDC is also committed to improving safety of the road network. The road network includes approximately 102 kilometres of sealed roads, 103 kilometres of unsealed roads and 40 bridges (including large culverts of >3.4m<sup>2</sup>). Of the 205 kilometres of road, 24 kilometres are designated as Urban while the remaining 181 kilometres are designated as Rural.

State Highway No.1 (SH1) provides the main arterial route from north to south through the district. SH1 is managed by Transit New Zealand and therefore is not covered under this document however; safety issues associated with the numerous intersections of the district road with SH1 have been taken into account.

The Procurement Programme is based on a 3 year block. Below is an extract of the 3 year procurement Programme ending 2012.

Structural Maintainance		Total for 3 yrs	2009/10	2009/11	2009/12
Sealed Pavement Maintainance	111	\$ 195,000.00	65000	65000	65000
Unsealed pavement maintenance	112	\$ 330,000.00	100000	110000	120000
Routine drainage maintenance	113	\$ 234,000.00	77000	78000	79000
Structures maintenance	114	\$ 18,000.00	5000	6000	7000
Corridor Maintainance and Operations					
Environmental maintenance	121	\$ 125,000.00	40000	45000	40000
Traffic services maintenance	122	\$ 75,000.00	25000	25000	25000
Operational traffic management	123	\$ 6,000.00	2000	2000	2000
141 Emergency reinstatement	141	\$ 150,000.00	50000	50000	50000
151 Network and asset management	151	\$ 195,000.00	65000	65000	65000
Structural Renewals					
211 Unsealed road metalling	211	\$ 174,000.00	57000	58000	59000
212 Sealed road resurfacing	212	\$ 390,000.00	130000	130000	130000
213 Drainage renewals	213	\$ 145,000.00	35000	55000	55000
214 Pavement rehabilitation	214	\$ 180,000.00	60000	60000	60000
215 Structures component replacements	215	\$ 36,000.00	12000	12000	12000
Corridor renewals					
222 Traffic services renewals	222	\$ 60,000.00	20000	20000	20000
Minor Safety	341	\$ 222,000.00	72000	74000	76000
Unsubsidised Minor Works		\$ 55,000.00	15000	20000	20000

**Table 4: Procurement Programme 2009 - 2012**

To implement the above programmes KDC procured and contracted out to Fulton Hogan the Operations and Maintenance Contract which started on 3<sup>rd</sup> September 2007 and will end in June 30<sup>th</sup> 2012. Except for the works listed below the Operations and Maintenance contract basically covers/includes all of the other work categories listed in the table above.

### **3.1.1 Operations and Maintenance Programme**

The Operations and Maintenance contract is traditionally a contract based on a 3yrs + 1+ 1 model. The current contract is already in its 4<sup>th</sup> year and will end in June 2012. At the end of this contract a new contract will be procured for another 3 + 1+1 period which will commence from June 2012 to June 2017. The model to be used to procure this contract in future is highlighted in the procurement model below. The Operations and Maintenance Contract will be advertised as open tender in the year 2012.

Below is a summary of the works or contracts that are individually procured outside the Operations and Maintenance Contract.

### **3.1.2 Road Renewal - Reseal Programme**

KDC road resurfacing is currently programmed for implementation on a yearly basis. Each year 6km of roads are resealed. The reseal work is tendered out yearly and are traditionally based on lowest conforming tender. However, in year 2010, there was a shift from the yearly Programme to a two yearly program with the hope of benefiting from the economics of scale whilst not compromising the quality of the roads.

The procurement model below describes how KDC intends to procure and manage this part of the work in future.

### **3.1.1 Road Marking**

Road marking works are programmed yearly however due to the small scale of the activity (i.e. less than \$45,000) for the past 2 years the contracts have been procured by asking for quotes from two companies operating within the area namely SprayMarks and Road marking rather than the traditional way of tendering.

### **3.1.4 Emergency Works**

Most of the KDC Emergency Works are directly contracted under the Operations and Maintenance Contract. In some instances where the costs are greater than \$15,000 and the engineer's estimate varies largely with the contractor's estimate, prices are obtained from other contractors and the one with the lowest price awarded the contract. For Works greater than \$100,000 at least 2 quotes will be obtained for the works

### **3.1.5 External Consultants - Professional Services -**

Up until year 2006 Kaikoura District Council have in the past up until 2006 mainly used Connell Wagner now Aurecon as consultants to look after looking after the management and engineering aspects of the district roads. In 2005 Council employed in house engineers to look after Council's Asset. The in-house engineers took over the role of managing the roads from Aurecon in 2006. Council maintained the relationship with Aurecon and have used them as backup support where required, for example they still looks after the administrative side of the RAMM data base and the annual inspection of the bridges.

### **3.1.6 In-House Professional Business Unit**

Council in 2009 created an In-house professional Unit to utilise in-house physical and human resources to provide roading and engineering services and to undertake work that will ensure a Safe and Efficient Transport Network for the Kaikoura District Council.

## **4 Procurement environment**

### **4.1 Analysis of supplier market.**

The Kaikoura District spans from the Haumuri Bluffs in the south to the Kekerengu valley in the north, covering 2,048 square kilometres of diverse landscape. The inland boundary of our District is the Clarence River and Inland Kaikoura Range, climbing 2,885 metres and snow covered for much of the year

Kaikoura District is isolated and far from other surrounding district centers. Due to the small size of our projects our market base is very small and most of them are based in Kaikoura. Our main contractors' over the years have been:

- Aurecon - Consultants
- Fulton Hogan
- Works Infrastructure now EDI DOWNER Works
- T. C Nicholls

Both Fulton Hogan and EDI Downer have a local base in Kaikoura and have been KDC's main contractors for the Roothing Maintenance Contracts for many years.

Up until year 2009 when Fulton Hogan won the reseal contract, T.C. Nichols were the main supplier for the resurfacing works (reseals), they have won nearly all of the reseal works tendered over the past years. The supplier trend in terms of competitiveness into the future is at this stage very uncertain and depends on the global economic environment that prevails at the time. KDC's market portion is very small and does not give it the power or ability to influence this environmental market dynamics. The more competition the better in terms of price regulation however quality of the product can be affected in the process therefore, this procurement strategy will endeavour not to sacrifice quality and sustainability for low prices due to market competition.

**4.2 *Analysis of the approved organization's current procurement spends and profile.***

The Procurement Spending profile is identified in the LTCPP and an extract is attached in appendix 1 for reference

**4.3 *Analysis of the impact of the procurement programmes of other approved organizations and other entities.***

There will be minimal impact from the procurement programmes of other approved organisations on KDC strategy

## 5. Procurement Model - Approach to delivering the work Programme

				Procurement Model 2010-2015				How to Manage				
Item #		Cat	Ave Yearly Expenditure	Current Procure-method				In-House Professional Business Unit	Outsource	In-House Staff	Risks	Required Variation to Rules
1.0	Operation and Maintenance Contract (OMC)	100	\$ 466,666.67					95%	5%		Minor	% rating of 60/40
1.1	Sealed Pavement Maintenance	111	\$ 65,000.00								Minor	none
1.2	Unsealed pavement maintenance	112	\$ 110,000.00								Minor	none
1.3	Routine drainage maintenance	113	\$ 78,000.00								Minor	none
1.4	Structures maintenance	114	\$ 6,000.00								Minor	none
2.0	Corridor Maintenance and Operations											
2.1	Environmental maintenance	121	\$ 41,666.00								Minor	none
2.2	Traffic services maintenance	122	\$ 25,000.00								Minor	none
2.3	Operational traffic management	123	\$ 2,000.00								Minor	none
2.4	Emergency reinstatement	141	\$ 50,000.00					95%	5%		Minor	KDC to use OMC contractor to do the works under the OMC contract or engage other contractors as required
2.5	Network and asset management	151	\$ 65,000.00					95%	5%		Minor	none
3.0	<b>Structural Renewals</b>											
3.1	Unsealed road metalling	211	\$ 58,000.00								Minor	none
3.2	Sealed road resurfacing	212	\$ 130,000.00					5%	95%		Minor	Allow Direct Purchase/by OMC contractor
3.3	Drainage renewals	213	\$ 50,000.00					95%	5%		Minor	
3.4	Pavement rehabilitation	214	\$ 60,000.00					95%	5%		Minor	
4.0	Corridor renewals											
4.1	Traffic services renewals	222	\$ 10,000.00								Minor	
4.2	Minor Improvement	341	\$ 70,000.00								Minor	
4.3	Community Programmes									100%	The risk here is medium - a loss of staff means employment of new staff and training which	



Given the isolated location of the District, bundling of procurement projects is not seen as beneficial for KDC it is considered that no improvement to value for money can be achieved by bundling. KDC have considered all the options available for the procurement of its contracts and have looked at possible bundling with NZTA and Hurunui District Council but have come to the conclusion that there are no common areas of interest where this can be achieved with any market benefits.

## **5 Implementation**

### **5.1 Capability and capacity:**

With the exception of the Reseal Contract, the rest of the roading contracts or works is currently managed by the In-House Business Unit. The Business unit is headed by an Asset Manager/Engineer who is answerable to the CEO of the organization. This status quo is currently working for KDC and it is the intention to keep it this way. The risks for maintaining the status-quo is the possibility of losing the in-house staff. If this should occur the options are to employ an engineer to fill the post or alternatively out source the role to Aurecon who are familiar with the KDC roading contracts or other interested smaller consultants.

Aurecon currently design, procure and manage the resealing contract for KDC. This arrangement is working however; in the procurement strategy there is also the alternative to procure using the Design and Build Procurement Model.

### **5.2 Performance measurement and monitoring:**

- NZTA KPIs – New Zealand Transport Agency carry out audits to ensure that the procurement rules are being followed, and also to ensure that value for money is being achieved and that the roading infrastructure is technically safe for the road users, these audits are referred to as financial audits, Safety Assessments (Road Safety Action Plans) and a Technical Review.
- Kaikoura District Council has its own KPIs in the LTCPP and this is audited by the Auditor General. The performance measures are KDC'S commitment re the level of service it intends to deliver to the users.

### **5.3 Communication plan:**

- NZTA will be auditing KDC'S procurements over the years and this will ensure that all procurements are in line with the strategy.
- The Kaikoura District Council Business Unit will use the strategy as a guide to procure works.
- All KDC consultants procuring on behalf of the Council will be provided with a copy of the strategy and any amendments thereafter.

It is envisaged that the Procurement Strategy will be endorsed by both NZTA and Council by the end of August 2010 and reviewed and updated at least every three years.

## **6. Conclusion**

There are a number of approaches to the procurement of roading contracts and in developing the procurement model the following has been taken into consideration to choose which model best suits for each project:

- Is the design wholly in the hands of the principal's consultants, is it complicated?
- Is the current OMC contractor capable of Design and Build
- Certainty of cost: is a lump sum contract preferred?
- Programming flexibility: is this desirable?
- Urgency of Start and completion times
- Changes during construction: can the contractor easily accommodate variations, and is there the likelihood of design changes during the course of the works?

## **Appendix 1 -**

### **KDC Current Procurement Spends and Profile**

<b>ROADS &amp; BRIDGES</b>											
	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Operating Expenses</b>											
Loan Interest	33,347	<b>24,942</b>	21,113	21,113	16,223	15,006	15,006	8,276	8,276	3,330	824
Overhead Charge - Corporate	57,076	<b>47,384</b>	29,748	30,413	31,502	31,946	32,693	33,932	34,416	35,529	37,046
Overhead Charge - GIS	8,911	<b>8,449</b>	8,901	9,113	9,348	9,550	9,778	10,034	10,259	10,527	10,819
Overhead Charge - Works	18,895	<b>17,976</b>	0	0	0	0	0	0	0	0	0
Depreciation (Funded)	647,183	<b>653,163</b>	727,400	739,451	751,411	803,195	815,867	825,857	877,283	882,630	890,416
Non Subsidised Works	3,749	<b>3,876</b>	3,000	3,084	3,158	3,234	3,311	3,391	3,476	3,559	3,637
Sealed Pavement Maintenance	60,000	<b>61,320</b>	62,914	64,676	66,228	67,818	69,445	71,112	72,890	74,639	76,281
Unsealed Pavement											
Maintenance	95,000	<b>97,090</b>	99,614	102,404	104,861	107,378	109,955	112,594	115,409	118,179	120,778
Routine Drainage	75,000	<b>76,650</b>	78,643	80,845	82,785	84,772	86,807	88,890	91,112	93,299	95,351
Operational Traffic											
Management	2,000	<b>2,044</b>	2,097	2,156	2,208	2,261	2,315	2,370	2,430	2,488	2,543
Professional											
Services/engineers	0	<b>0</b>	60,000	61,680	63,160	64,676	66,228	67,818	69,513	71,182	72,748
Network & Asset Management	60,000	<b>61,320</b>	12,000	12,336	12,632	12,935	13,246	13,564	13,903	14,236	14,550
Environmental Maintenance	40,000	<b>40,880</b>	41,943	43,117	44,152	45,212	46,297	47,408	48,593	49,759	50,854
Structure Maintenance	8,000	<b>8,176</b>	8,389	8,623	8,830	9,042	9,259	9,482	9,719	9,952	10,171
Traffic Services	25,000	<b>25,550</b>	26,214	26,948	27,595	28,257	28,936	29,630	30,371	31,100	31,784
	<b>1,134,161</b>	<b>1,134,161</b>	<b>1,134,161</b>	<b>1,134,161</b>	<b>1,134,161</b>	<b>1,134,161</b>	<b>1,134,161</b>	<b>1,134,161</b>	<b>1,134,161</b>	<b>1,134,161</b>	<b>1,134,161</b>
<b>Capital Work &amp; Loan</b>											
<b>Principal</b>											
Loan Principal	31,807	<b>27,992</b>	27,992	27,992	31,883	31,243	31,244	32,427	32,427	10,251	10,251
Sealed Pavement Renewals	125,000	<b>129,250</b>	132,611	136,324	139,595	142,946	146,376	149,889	153,637	157,324	160,785
Unsealed Pavement Renewals	56,000	<b>34,740</b>	59,410	61,073	62,539	64,040	65,577	67,151	68,830	70,482	72,032
Kerb Channel renewals	50,000	<b>29,570</b>	58,349	59,983	61,422	62,896	64,406	65,952	67,601	69,223	70,746
Pavement Rehabilitation	60,000	<b>50,464</b>	63,653	65,435	67,006	68,614	70,261	71,947	73,746	75,515	77,177
Associated Improvements	8,000	<b>8,272</b>	8,487	8,725	8,934	9,149	9,368	9,593	9,833	10,069	10,290
Minor Improvements	70,000	<b>72,380</b>	74,262	76,341	78,173	80,050	81,971	83,938	86,037	88,101	90,040

Seal Extensions	0	0	0	0	0	500,000	0	0	0	0	500,000
Minor Safety/Traffic Services	20,000	20,680	21,218	21,812	22,335	22,871	23,420	23,982	24,582	25,172	25,726
<b>Capital Work &amp; Loan Princ. Total</b>	<b>431,807</b>	<b>473,348</b>	<b>445,982</b>	<b>445,982</b>	<b>445,982</b>	<b>445,982</b>	<b>445,982</b>	<b>445,982</b>	<b>445,982</b>	<b>445,982</b>	<b>445,982</b>
<b>Revenue</b>											
Transfund Subsidy	359,550	394,641	380,608	391,265	392,130	401,542	411,179	421,047	431,573	441,931	451,653
Balance from General Rates	470,722	0	0	0	0	0	0	0	0	0	0
Targeted Roding Rate	0	471,873	481,950	493,865	512,438	521,392	532,777	539,381	551,458	536,904	546,706
Development Contributions	50,320	0	0	101,898	104,344	106,848	109,412	112,038	114,839	117,595	120,182
NZTA Share of Street Cleaning		0	4,000	4,112	4,211	4,312	4,415	4,521	4,634	4,745	4,850
Petrol Tax Levies	38,192	39,491	34,000	34,952	35,791	36,650	37,529	38,430	39,391	40,336	41,224
Transfer (to) Roding Reserve	0	43,000	0	-101,898	-104,344	393,152	-109,412	-112,038	-114,839	-117,595	379,818
Loans	0	0	0	0	0	0	0	0	0	0	0
	<b>918,785</b>	<b>949,005</b>	<b>900,558</b>	<b>924,194</b>	<b>944,570</b>	<b>1,463,896</b>	<b>985,900</b>	<b>1,003,379</b>	<b>1,027,056</b>	<b>1,023,916</b>	<b>1,544,433</b>
<b>SURPLUS/(DEFICIT)</b>	<b>-647,183</b>	<b>-653,163</b>	<b>-727,400</b>	<b>-739,451</b>	<b>-751,411</b>	<b>-803,195</b>	<b>-815,867</b>	<b>-825,857</b>	<b>-877,283</b>	<b>-882,630</b>	<b>-890,416</b>

## FOOTPATHS

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Operating Expenses</b>											
Loan Interest	51,020	49,041	36,109	35,710	37,096	28,775	28,775	28,289	23,474	23,474	22,939
Overhead Charge - Corporate	12,684	11,846	11,899	12,165	12,601	12,778	13,077	13,573	13,766	14,212	14,818
Overhead Charge - GIS	2,228	2,115	3,768	3,857	3,957	4,043	4,139	4,247	4,343	4,456	4,580
Overhead Charge - Works	3,270	3,111	6,206	7,239	7,160	7,420	8,268	8,107	8,443	9,507	9,339
Depreciation (Funded)	66,189	66,801	57,211	58,159	59,100	63,173	64,169	64,955	69,000	69,420	70,033
Pavement Maintenance	3,150	3,257	3,342	3,435	3,518	3,602	3,689	3,777	3,872	3,965	4,052
	<b>138,541</b>	<b>136,171</b>	<b>118,535</b>	<b>120,565</b>	<b>123,431</b>	<b>119,791</b>	<b>122,118</b>	<b>122,947</b>	<b>122,897</b>	<b>125,033</b>	<b>125,760</b>
<b>Capital Work &amp; Loan Principal</b>											
Loan Principal	26,243	33,504	26,243	25,589	19,716	19,716	19,937	21,892	21,892	22,134	24,311

Footpath Development/Reserves Account	0	<b>511,000</b>	153,900	158,209	102,400	104,858	11,264	11,534	11,823	12,106	12,373
Renewals	0	<b>22,239</b>	26,305	27,106	34,775	39,502	39,252	38,101	42,840	41,797	40,199
	<b>26,243</b>	<b>566,743</b>	<b>206,448</b>	<b>210,904</b>	<b>156,891</b>	<b>164,076</b>	<b>70,453</b>	<b>71,528</b>	<b>76,555</b>	<b>76,038</b>	<b>76,883</b>
<b>Revenue</b>											
Transfund Subsidy	0	<b>280,000</b>	0	0	0	0	0	0	0	0	0
Balance from General Rates	0	<b>0</b>	0	0	0	0	0	0	0	0	0
Targeted Rate	0	<b>136,113</b>	113,872	111,861	115,504	112,439	124,922	125,958	126,801	127,911	128,789
Development Contributions	2,880	<b>0</b>	0	3,240	3,318	3,397	3,479	3,562	3,651	3,739	3,821
Transfer from Footpath Reserve	0	<b>0</b>	153,900	158,209	102,400	104,858	0	0	0	0	0
Loan	0	<b>220,000</b>	0	0	0	0	0	0	0	0	0
	<b>2,880</b>	<b>636,113</b>	<b>267,772</b>	<b>273,310</b>	<b>221,222</b>	<b>220,694</b>	<b>128,401</b>	<b>129,520</b>	<b>130,452</b>	<b>131,651</b>	<b>132,611</b>
<b>SURPLUS/(DEFICIT)</b>	<b>-161,904</b>	<b>-66,801</b>	<b>-57,211</b>	<b>-58,159</b>	<b>-59,100</b>	<b>-63,173</b>	<b>-64,169</b>	<b>-64,955</b>	<b>-69,000</b>	<b>-69,420</b>	<b>-70,033</b>

## STREETLIGHTS

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Operating Expenses</b>											
Loan Interest	7,360	<b>4,021</b>	4,021	4,021	4,244	3,209	3,209	3,209	2,606	2,606	2,606
Overhead Charge - Corporate	12,684	<b>11,846</b>	11,899	12,165	12,601	12,778	13,077	13,573	13,766	14,212	14,818
Overhead Charge - GIS	2,228	<b>2,115</b>	2,741	2,806	2,879	2,941	3,011	3,090	3,159	3,242	3,332
Overhead Charge - Works	3,270	<b>3,111</b>	2,660	3,102	3,069	3,180	3,543	3,474	3,618	4,074	4,003
Depreciation	22,063	<b>22,267</b>	32,692	33,234	33,771	36,099	36,668	37,117	39,428	39,669	40,019
Electricity	21,564	<b>21,564</b>	21,564	21,564	21,564	21,564	21,564	21,564	21,564	21,564	21,564
Maintenance	8,160	<b>8,580</b>	8,803	9,050	9,267	9,489	9,717	9,950	10,199	10,444	10,673
	<b>77,329</b>	<b>73,504</b>	<b>84,380</b>	<b>85,942</b>	<b>87,394</b>	<b>89,260</b>	<b>90,790</b>	<b>91,977</b>	<b>94,341</b>	<b>95,810</b>	<b>97,014</b>
<b>Capital Work &amp; Loan Principal</b>											
Loan Principal	3,100	<b>3,100</b>	3,100	3,100	2,240	2,240	2,240	2,485	2,485	2,485	2,758

Streetlight Upgrades	18,965	<b>19,610</b>	20,667	21,073	22,336	24,061	24,488	24,579	26,293	26,473	26,463
Underground Power Cables	20,000	<b>0</b>	0	0	0	0	0	0	0	0	0
Renewals	0	<b>0</b>	0	0	0	0	0	0	0	0	0
	<b>42,065</b>	<b>22,710</b>	<b>23,767</b>	<b>24,173</b>	<b>24,576</b>	<b>26,301</b>	<b>26,728</b>	<b>27,064</b>	<b>28,778</b>	<b>28,958</b>	<b>29,221</b>
<b>Revenue</b>											
Transfund Subsidy	22,884	<b>23,384</b>	23,986	24,293	24,457	25,353	25,654	25,803	26,706	26,901	27,002
Balance from General Rates	42,448	<b>0</b>	0	0	0	0	0	0	0	0	0
Targeted Rate	0	<b>38,563</b>	43,469	44,589	45,742	46,109	47,196	48,121	48,985	50,198	51,214
LTNZ Share SH1 streetlights	12,000	<b>12,000</b>	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Transfer from Roothing											
Reserve	20,000	<b>0</b>	0	0	0	0	0	0	0	0	0
Footpath & Streetlights Loan	0	<b>0</b>	0	0	0	0	0	0	0	0	0
	<b>97,331</b>	<b>73,947</b>	<b>75,455</b>	<b>76,881</b>	<b>78,198</b>	<b>79,462</b>	<b>80,849</b>	<b>81,924</b>	<b>83,690</b>	<b>85,099</b>	<b>86,216</b>
<b>SURPLUS/(DEFICIT)</b>	<b>-22,063</b>	<b>-22,267</b>	<b>-32,692</b>	<b>-33,234</b>	<b>-33,771</b>	<b>-36,099</b>	<b>-36,668</b>	<b>-37,117</b>	<b>-39,428</b>	<b>-39,669</b>	<b>-40,019</b>

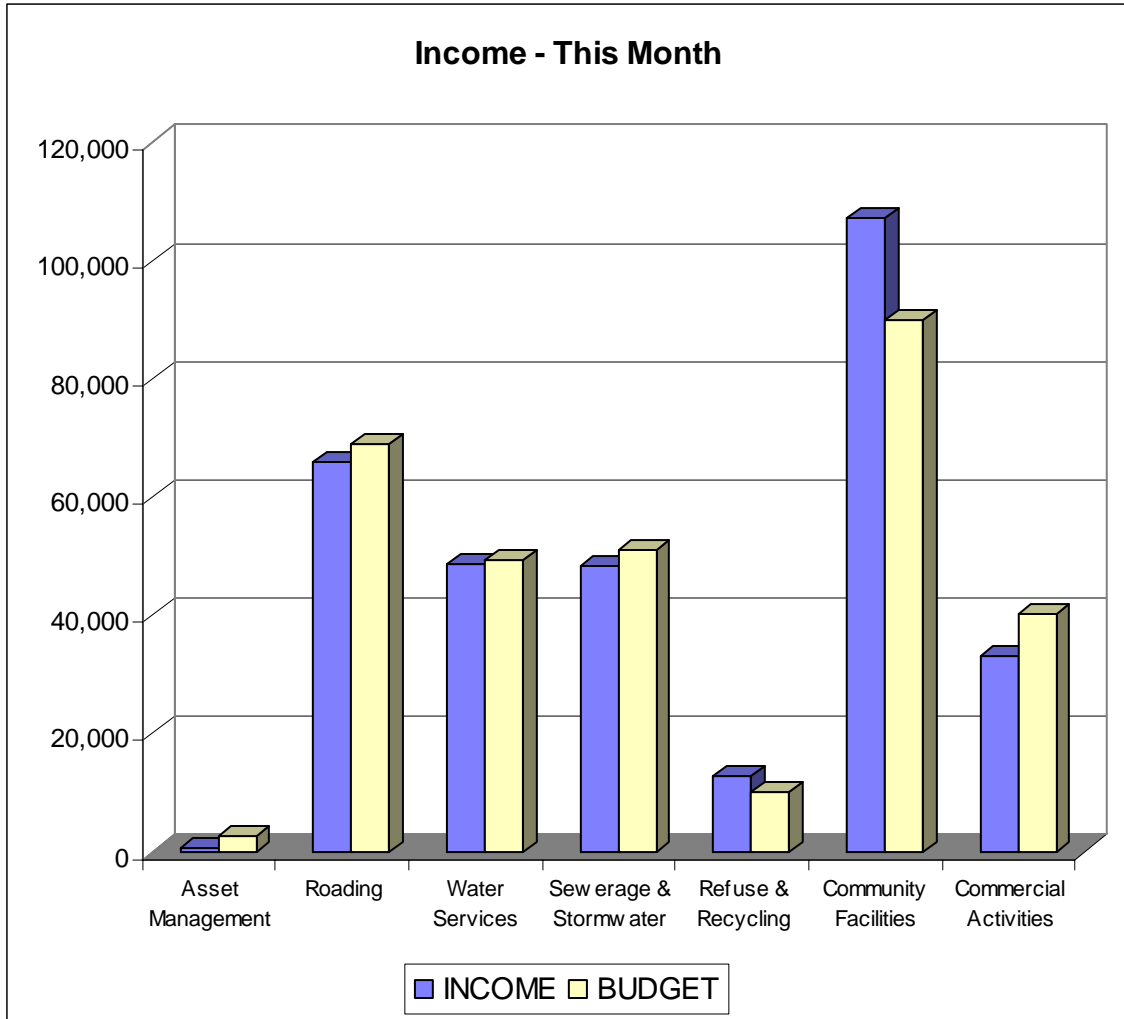
## ROADING GROUP SUMMARY

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Operating Expenses</b>											
<u>Roads &amp; Bridges</u>											
Operations	453,631	<b>450,715</b>	433,463	445,396	456,460	467,081	478,271	490,224	502,089	514,449	526,562
Loan Interest	33,347	<b>24,942</b>	21,113	21,113	16,223	15,006	15,006	8,276	8,276	3,330	824
Depreciation	647,183	<b>653,163</b>	727,400	739,451	751,411	803,195	815,867	825,857	877,283	882,630	890,416
	1,134,161	<b>1,128,820</b>	1,181,976	1,205,959	1,224,093	1,285,283	1,309,144	1,324,357	1,387,649	1,400,409	1,417,802
<u>Footpaths</u>											
Operations	21,332	<b>20,329</b>	25,214	26,697	27,235	27,843	29,173	29,704	30,424	32,139	32,789
Loan Interest	51,020	<b>49,041</b>	36,109	35,710	37,096	28,775	28,775	28,289	23,474	23,474	22,939
Depreciation	66,189	<b>66,801</b>	57,211	58,159	59,100	63,173	64,169	64,955	69,000	69,420	70,033
	138,541	<b>136,171</b>	118,535	120,565	123,431	119,791	122,118	122,947	122,897	125,033	125,760
<u>Streetlights</u>											
Operations	47,906	<b>47,216</b>	47,667	48,688	49,379	49,952	50,913	51,651	52,307	53,536	54,390

Loan Interest	7,360	4,021	4,021	4,021	4,244	3,209	3,209	3,209	2,606	2,606	2,606
Depreciation	22,063	22,267	32,692	33,234	33,771	36,099	36,668	37,117	39,428	39,669	40,019
	77,329	73,504	84,380	85,942	87,394	89,260	90,790	91,977	94,341	95,810	97,014
<b>Total Operating Expenses</b>	<b>1,350,031</b>	<b>1,338,495</b>	<b>1,384,891</b>	<b>1,412,467</b>	<b>1,434,918</b>	<b>1,494,333</b>	<b>1,522,051</b>	<b>1,539,282</b>	<b>1,604,887</b>	<b>1,621,252</b>	<b>1,640,577</b>
<u>Funded by:</u>											
Targeted Rates	0	646,549	639,290	650,315	673,684	679,941	704,895	713,460	727,244	715,013	726,710
Subsidies	382,434	710,026	412,594	423,557	424,587	434,894	444,832	454,850	466,279	476,832	486,655
Other Income	50,192	39,491	38,000	39,064	40,002	40,962	41,945	42,951	44,025	45,082	46,074
	432,626	1,396,065	1,089,884	1,112,936	1,138,273	1,155,796	1,191,671	1,211,261	1,237,548	1,236,927	1,259,439
<b>Operating Surplus/(Deficit)</b>	<b>-917,405</b>	<b>57,570</b>	<b>-295,007</b>	<b>-299,530</b>	<b>-296,644</b>	<b>-338,537</b>	<b>-330,380</b>	<b>-328,021</b>	<b>-367,339</b>	<b>-384,325</b>	<b>-381,138</b>
<b>Capital Expenditure</b>											
<u>Roads &amp; Bridges</u>											
New/Upgrade Assets	145,000	180,652	82,749	85,066	87,108	589,198	91,339	93,531	95,869	98,170	600,330
Renewals	255,000	264,704	335,240	344,627	352,898	361,368	370,040	378,921	388,394	397,716	406,466
Increasing Level of Service	0	0	0	0	0	0	0	0	0	0	0
	400,000	445,356	417,989	429,693	440,005	950,566	461,379	472,452	484,264	495,886	1,006,795
<u>Footpaths</u>											
New/Upgrade Assets	0	511,000	153,900	158,209	102,400	104,858	11,264	11,534	11,823	12,106	12,373
Renewals	0	22,239	26,305	27,106	34,775	39,502	39,252	38,101	42,840	41,797	40,199
Increasing Level of Service	0	0	0	0	0	0	0	0	0	0	0
	0	533,239	180,205	185,315	137,175	144,360	50,516	49,635	54,663	53,903	52,572
<u>Streetlights</u>											
New/Upgrade Assets	38,965	19,610	20,667	21,073	22,336	24,061	24,488	24,579	26,293	26,473	26,463
Renewals	0	0	0	0	0	0	0	0	0	0	0
Increasing Level of Service	0	0	0	0	0	0	0	0	0	0	0
	38,965	19,610	20,667	21,073	22,336	24,061	24,488	24,579	26,293	26,473	26,463
<u>Capital Debt Servicing</u>											
Loan Principal	61,150	64,596	57,335	56,681	53,838	53,198	53,420	56,804	56,804	34,871	37,320

<b>Total Capital Expenditure</b>	<b>500,115</b>	<b>1,062,801</b>	<b>676,197</b>	<b>692,762</b>	<b>653,355</b>	<b>1,172,185</b>	<b>589,803</b>	<b>603,471</b>	<b>622,023</b>	<b>611,133</b>	<b>1,123,150</b>
<b>Funded by:</b>											
General Rates	513,170	0	0	0	0	0	0	0	0	0	0
Transfer from/(to) Reserves	20,000	43,000	153,900	56,311	-1,944	498,010	-109,412	-112,038	-114,839	-117,595	379,818
Loans	0	220,000	0	0	0	0	0	0	0	0	0
Development Contributions	53,200	0	0	105,138	107,661	110,245	112,891	115,600	118,490	121,334	124,004
Depreciation	735,436	742,231	817,304	830,843	844,281	902,467	916,704	927,929	985,711	991,719	1,000,467
Operating Surplus/(Deficit)	-917,405	57,570	-295,007	-299,530	-296,644	-338,537	-330,380	-328,021	-367,339	-384,325	-381,138
	<b>404,400</b>	<b>1,062,801</b>	<b>676,197</b>	<b>692,762</b>	<b>653,355</b>	<b>1,172,185</b>	<b>589,803</b>	<b>603,471</b>	<b>622,023</b>	<b>611,133</b>	<b>1,123,150</b>

# Works and Services Budget Report



### Expenditure - This Month

