

13. TRANSFER OF FUNDING FOR UNDERGROUNDING PROJECT

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The purpose of this report is to seek the Committee's approval to convert capital budget to operational budget to complete the undergrounding of Centaurus Road, between Rapaki Road and Glenelg Spur Road.

BACKGROUND

The following report was submitted to the Strategy and Finance Committee meeting of 17 May 2004:

"The section of Centaurus Road, from Rapaki Road to Glenelg Spur Road is programmed for kerb and channel (on its south side) replacement in 2004/05. Also programmed is new footpath and kerbing on the north side of the road (currently there is neither). In addition, the corners at the peak of the climb are being realigned to reduce the frequent loss of control collisions. Overall, this project represents an integration of several separate elements of the City Transport Capital Programme.

The undergrounding of the overhead powerlines on the north side of Centaurus Road is an additional safety measure and aesthetic improvement for this project. The undergrounding, however, was introduced to the project after the undergrounding budgets were set, and there has proven to be little room to move within the programme to accommodate this project.

The Transport and City Streets Unit therefore requests that capital budget be transferred to operational budget to fund the undergrounding component of the project. The undergrounding will further enhance the safety and amenity benefits of the project.

The undergrounding work will cost \$396,762. There is currently sufficient capital budget available to permit this transfer without impacting on the project delivery outcomes of the Transport and City Streets Unit."

At its 17 May 2004 meeting, the Strategy and Finance Committee made the following resolution:

"The Committee, in noting that the proposal did not comply with the Council's undergrounding policy, agreed that the work should only proceed if it was necessary for safety reasons. The Committee considered that this determination should be made by the Sustainable Transport and Utilities Committee rather than the Strategy and Finance Committee.

*The Committee **resolved** that the request to transfer the above funds be approved, subject to the Sustainable Transport and Utilities Committee confirming that the work is justified on safety grounds."*

FURTHER INFORMATION

Additional information is provided to this Committee meeting to assist the decision making process.

Centaurus Road between Aynsley Terrace/Rapaki Road and Glenelg Spur Road is a minor arterial road. It currently has no footpath nor kerb and channel on the north side. Pylons on the north side are protected from traffic merely by a slight raised lip on the edge of seal.

When the 2003/04 undergrounding programme was being considered, this section of Centaurus Road met the criteria for undergrounding - ie it is an arterial road undergoing full reconstruction. It has been standard practice to underground arterial roads primarily for safety purposes (removal of poles from the immediate road side), and secondarily for amenity purposes.

Unfortunately, the 2003/04 undergrounding budget was inadequate to support the undergrounding of this section of the road, and the programme would have been delayed to a later year to accommodate this work, however, the planning and design for the project was sufficiently advanced to consider an alternative approach.

Hence, the Transport and City Streets Unit investigated the option of transferring capital funds to operational funds for this project. Initial cost estimates showed this to be a practical approach, and approval to carry out the capital to operating expenditure was obtained through appropriate delegations for a lower project cost estimate for this project. However, the return of tenders on the project showed that costs were higher than anticipated, primarily due to the terrain and base into which undergrounding trenches would need to be dug. Hence this request through the Committee approvals process.

The Transport and City Streets Unit fully supports the undergrounding of this section of Centaurus Road and can manage the funding transfer without compromising the delivery of any other aspect of the capital programme. The transfer is recommended.

Staff

Recommendation: That the transfer of \$396,762 from capital to operational budget for the undergrounding of Centaurus Road (Rapaki Road to Glenelg Spur Road) be approved.

Chairman's

Recommendation: That the above recommendation be adopted.