

23. CITY STREETS MONITORING REPORT – JULY-OCTOBER 2000

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Corporate Plan Output:	

The purpose of this report is to present the four month (July to October) monitoring report to the Committee.

The report concentrates on exceptions in the two main outputs, Roading System Maintenance and the Capital programme. There are no exceptions to report in the other outputs.

ROADING SYSTEM MAINTENANCE

A number of issues have arisen which have put pressure on the Roading System Maintenance budget. One was the storm on 12 October and the one off costs associated with this. The other issues relate to ongoing cost increases due to a number of factors. These are detailed below.

12 OCTOBER STORM

The cost of the clean up and repairs is estimated to be \$600,000 of which \$258,000 (43%) will be funded by Transfund. Based on this estimated cost the net cost to the Council will be \$342,000. The budget for storm and flood damage is \$20,520, which is adequate for 'normal' years but is not sufficient for one off major storms such as that experienced on 12 October. The \$320,000 additional expenditure will not be able to be met from within the City Streets budget and so a request will need to be made at the six month review for additional budget to cover this.

OTHER ISSUES

A number of cost pressures are occurring in the maintenance area due to: -

1. A return to normal rainfall levels following two years of low rainfall. Current budgets were based on the dry weather patterns. Wet weather accelerates the deterioration of pavements and requires more expenditure on cleaning sumps.
2. Increased costs in the contracting sector due to rising oil prices, which effect the price of bitumen and diesel.
3. Increased contract rates on contracts that are being retendered due to the fact that previous contracts were let when the market was very competitive and economic conditions were poor, which lead to prices that could not be sustained. While the market is still very competitive prices are returning to more sustainable levels.
4. Growth in the amount of asset to be maintained in some areas is greater than the allowance made for average growth. Examples are; feature paving where significant areas of new paving are or have been installed in the Square and Oxford Terrace, and the installation of bus infrastructure for new bus routes such as the Orbiter.
5. The changing use and high expectations of cleanliness in the central city means increased cleaning frequencies and increased costs.
6. The introduction of a Graffiti 'Hotline' and the need to clean graffiti immediately. This has a significant effect on bus shelter maintenance costs.

It is noted that these cost pressures will flow through to future budgets and significant increases will be needed in the 2001/02 Budget. Costs for the remainder of this year will be closely controlled and in some areas only urgent work will be done in an attempt to minimise the over expenditure.

PROJECTED END OF YEAR EXPENDITURE – MAINTENANCE OUTPUT

Excluding the one off storm cost the projected end of year cost for roading system maintenance is \$381,000 or 3% over budget. This is detailed below.

CARRIAGEWAY MAINTENANCE

The amount of work identified through inspections and contractor programmes as not meeting specified levels of service has increased in the last year. This is due mainly to the effect of the return to normal rainfall levels as mentioned above.

In 1999/00 the gross expenditure was 4% or \$86,663 over budget and for this year the projection is 13% or \$270,000 over budget. With Transfund subsidy the net expenditure is projected to be \$175,000 over budget.

KERB AND CHANNEL MAINTENANCE

Only urgent work will be done in order to reduce the over expenditure in other areas. Projected net expenditure is \$120,000 or 11% below budget.

Street Cleaning

Cost pressures are occurring in two areas in this output. One is extra sweeping of roads, mainly at intersections, to provide a better level of service for cyclists. Cyclists are becoming more aware of cycle safety and that action is taken when requested and so more requests are being received. These cannot be ignored because of the safety implications.

The other area is in cleaning sumps and clearing blocks in pipes. As mentioned above budget levels reduced when they were based on the dry winters and years of lower rainfall. The last two winters have had more normal rainfall and expenditure levels have increased. In 1997/98 the expenditure was \$197,953 (Budget \$200,000), in 98/99 expenditure was \$332,777 (Budget \$200,000), in 99/00 expenditure was \$361,291 (Budget \$200,000). This activity is vitally important to prevent road and property flooding. The 2000/01 budget is \$236,900 and the projected expenditure is \$360,000.

The projected net expenditure in street cleaning is \$210,000 or 15% over budget.

FOOTPATH MAINTENANCE

Projected expenditure is \$90,000 or 10% under budget. This is based on the current rate of expenditure. The amount of work required is decreasing due to the amount of footpath resurfacing that has occurred in the last few years.

BUS SHELTER MAINTENANCE

Graffiti removal expectations have impacted on this activity. Previously graffiti was cleaned from bus shelters once a month. With the introduction of the new 'Hotline' the 'policy' is to remove graffiti immediately. This on demand system has increased costs significantly and most of the budget is spent on graffiti removal and cleaning with very little structural maintenance possible. By minimising the structural maintenance the projected net expenditure will be \$16,000 or 10% over budget. Future budgets will need to be increased to allow for these increased costs.

AMENITY AREAS CLEANING

Due to the changing use, increased areas of paving, ie Oxford Terrace and high expectations of cleanliness in the central city expenditure in this category will be over budget by \$150,000 or 10%.

The food stalls in the Square now cover a wider area and so cleaning in this area is required twice a week rather than the one previously. The paved areas around the new Bus Exchange require weekly cleaning.

TRAFFIC SERVICES

A road marking contract for one third of the city was recently retendered and will commence on 1 Dec 2000. The price for this work increased over the previous contract due to fuel price increases and the factors mentioned above. The cost increase for the remainder of the financial year will be \$40,000.

The project net expenditure is \$40,000 over budget.

CAPITAL BUDGET

The City Streets Capital Programme consists of a large number of individual projects and it is managed on an unders and overs basis within the overall budget. In most areas this is being managed successfully, the exception being in the footpath resurfacing area. There are also a number of projects where issues have been identified that effect their timing and some reprogramming will be required. Details of these follow.

FOOTPATH RESURFACING

The target length for footpath resurfacing is 98.5km. In anticipation of higher contract rates due to the price of bitumen and the fact that previous rates have been at very low levels, and due to the new batten policy, the budget for this year was increased over previous years. Contract rates have, in fact, risen higher than that anticipated by a significant amount. 93.7km of work has been tendered to date and the price for this has already exceeded the total budget by \$220,000. On top of that bitumen price increases since the work was tendered will amount to a further \$80,000, giving a total increase over the budget of \$300,000. The price per km based on these prices is \$25,280 compared with the budget estimate of \$21,065, an increase of 20%. It is noted that in 1998/99 the costs were \$18,190 per km. Last years actual costs were \$20,856/km. All of the above exclude the professional services costs involved in programming and supervising the work as this has remained constant.

The Asset Management Plan requires 120km of footpath 'renewal' each year. This is made up of 20km of footpaths associated with the kerb and channel programme, 1.5km associated with other work and 98.5km of footpath resurfacing. The reality is that footpath work associated with other work is normally higher than 1.5km and so a revised resurfacing target of, say, the 93.7km already tendered could be accepted for this year without contravening the Asset Management Plan. This would still leave a shortfall of \$300,000.

At this stage there is not \$300,000 available from within the capital budget to fund this increase.

The options are, therefore, to: -

1. Reduce the length further, but this would mean the Asset Management Plan requirements would not be met. To save \$300,000 the reduction would need to be 12km.
2. Request additional funds at the six month review.
3. Delay a decision and hope that savings will occur in other parts of the capital budget during the remainder of the year. This option is not recommended because with the upward pressure on contract prices it is not expected that tender savings will occur.

Option 2 is recommended.

LINWOOD/DYERS SIGNALISATION

Changes to this project are being reported separately to this Committee.

WORCESTER STREET (MANCHESTER TO LATIMER) AND LATIMER SQUARE PROJECTS

There are three projects listed in this year's programme in the Worcester St and Latimer Sq area. These are: -

- 'Latimer Square Stage 1 Worcester Manchester to Latimer - \$206,000',
- 'Worcester St @ Manchester – Latimer Sq' - \$178,600',
- 'Latimer Sq Worcester to Gloucester - \$142,800'.

The first two are, in fact, in the same block and are in the Major Amenity Improvements Category while the latter project is a kerb and channel renewal project. In reality there are two projects,

- Worcester St between Manchester and Latimer Sq with a budget of \$384,600.
- Latimer Sq between Worcester and Gloucester with a budget of \$142,800.

Scheme plans have been developed for these two projects and cost estimates are \$481,000 for Worcester St and \$186,400 for Latimer Sq, a total extra cost of \$140,000. At this stage it is expected that these projects will not be completed before the end of the financial year, therefore, the additional funds will not be required until the 2001/02 year.

The five year capital programme also includes a project in Latimer Sq and listed as Latimer Sq Stage 2 Gloucester to Hereford with a budget of \$330,000 in 2002/03. Because Latimer Sq between Worcester and Gloucester is included above, this project will be for the section between Hereford and Worcester. The cost is expected to be in the order of \$190,000, leaving a surplus of \$140,000.

It is recommended that the extra costs in this years projects be funded by bringing forward \$140,000 of budget from 2002/03 to 2001/02 as part of the 2001/02 budget process.

REPROGRAMMING OF PROJECTS TO 2001/02

There are a number of projects that for a variety of reasons will not be completed this year. It is recommended that they be reprogrammed to 2001/02 in the six month review.

Some of these projects are in the kerb and channel renewal category and it is recommended that, where possible, projects be brought forward from 2001/02 to replace them.

TABLE 1

Project	Category	Budget	Reason for Reprogramming
Chapter St	K&C Renewal	\$142,800	Consultation delays. Consultation and design will be undertaken. Balance to be reprogrammed.
Richmond Hill Rd	K&C Renewal	\$150,000	Consultation delays. Consultation and design will be undertaken. Balance to be reprogrammed.
Waiwetu St	K&C Renewal	\$395,000	Delayed to allow undergrounding to be done. Consultation and design will be undertaken. Balance to be reprogrammed.
Ferry Rd	K&C Renewal	\$90,000	Part only, \$31,000, to be reprogrammed to allow Orion to lay cables.
Woodville St	K&C Renewal	\$275,000	Consultation delays. Consultation and design will be undertaken. Balance to be reprogrammed.
Hills/Shirley/Warrington	Road Network Imp	\$51,000	Project dependant on subdivision of adjacent property. This has been delayed.
Fendalton Rd	Road Network Imp	\$786,325	It is unlikely that any construction work will be started so the construction work portion, i.e. \$500,000 should be reprogrammed.
Fendalton Rd Landscaping	Road Network Imp	\$66,500	This is part of the construction project and so will not proceed this year.
Linwood/Dyers	Road Network Imp	\$400,000	See above and separate report. Detailed design to be completed. Balance of \$225,000 to be reprogrammed.
Colombo St (Moorhouse to Wordsworth) Cycleway.	Cycleways	\$35,000	Project has been delayed due to the need to co-ordinate it with the Colombo St mainstreet project.
Avonside Dr Barriers	Safety	\$250,000	Resource Consent delays. Some budget will be spent on this with the balance reprogrammed.

KERB AND CHANNEL RENEWAL PROJECTS THAT CAN BE BROUGHT FROWARD FROM 2001/02

The above includes approximately \$1m of kerb and channel work and equates to about 2.5km of kerb and channel. In order to ensure that the Asset Management Plan target is met and to ensure the programme is kept reasonably uniform there are some projects that can be advanced from 2001/02. These are detailed below: -

TABLE 2

Project	Category	Budget	Reason for bringing forward
Hills Rd (Akoroa – Aylesford)	K&C Renewal	\$360,000	This project is programmed over two years starting this year, so is a committed project.
Browns Rd	K&C Renewal	\$234,600	This project is programmed over two years starting this year, so is a committed project.
Berwick St (Mersey – Forfar)	K&C Renewal	\$117,859	A straight forward project with funding in this year for design.
Prossers Rd (St Martins to Wades)	K&C Renewal	\$183,600	This project and the one below were programmed to tie in with the supermarket upgrade. This has been advanced and so it is necessary to complete the roading work as soon as possible
Wades Ave (Wilsons to Prossers)	K&C Renewal	\$132,600	See above.

The total amount adds to \$1,028,659, which is equivalent to the amount to be reprogrammed.

- Recommendation:**
1. That the City Services Committee support an application for \$320,000 of additional operational funds to pay for the 12 October storm damage through the six month review.
 2. That the City Services Committee support an application for \$357,000 of additional operational funds to pay for increased maintenance cost through the six month review.
 3. That the City Services Committee support an application for \$300,000 of additional capital funds to pay for increased footpath resurfacing costs through the six month review.
 4. That approval be given to adjust the footpath resurfacing target length from 98.5km to 93.7km on the basis that the overall footpath renewal target of 120km will remain and the difference made up by footpath renewals associated with other projects.
 5. That the Worcester St (Manchester to Latimer) and Latimer Sq (Worcester to Gloucester) projects proceed with additional costs met by bringing forward \$140,000 from the Latimer Sq (Gloucester to Hereford) project from 2002/03 to 2001/02 in the 2001/02 budget process.
 6. That the City Services Committee recommend to the Strategy and Resources Committee that the projects listed in Table 1 be reprogrammed into 2001/02.
 7. That the City Services Committee recommend to the Strategy and Resources Committee that the projects listed in Table 2 brought forward from 2001/02 to 2000/01 as substitutions for the kerb and channel renewal projects that are recommended to be reprogrammed.

Chairman's

Recommendation: That the above recommendation be adopted.