



Report 10.516
Date 21 September 2010
File B/33/08/09

Committee Council
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Contract No. 1281: Stuart Macaskill Lakes upgrade, construction of rock buttresses

1. Purpose

To obtain funding approval for the construction of rock buttresses, which are a major part of the seismic upgrade of the Stuart Macaskill Lakes, and delegation from the Council to the Chief Executive to accept a tender for the construction of the rock buttresses.

2. Significance of the decision

The matters for decision in this report **do not** trigger the significance policy of the Council or otherwise trigger section 76(3)(b) of the Local Government Act 2002.

3. Background

The project to upgrade the seismic resilience of the Stuart Macaskill Lakes includes the construction of rock buttresses to strengthen the external face of sections of the lake embankments. Lining the internal embankments will form part of a separate contract at a later stage.

Tenders have been called for the construction of the rock buttresses and we are targeting early November to award the contract. This will allow the work to commence in the coming summer season and be completed in 2012.

The cost of rock buttressing is included in the project budget that was approved in the 2009-19 LTCCP and spread over the four years 2009 to 2013. At its meeting on 4 May 2010, the Regional Sustainability Committee approved the rescheduling of the project timeline with a 12 month delay in taking Lake 2 out of commission for construction work (Report 10.211).

The rescheduling resulted in a change in the timing of the expenditure for financial years 2010/11 to 2013/14 for both the seismic upgrading project and the project to raise the lakes maximum water levels. The total budget remained unchanged.

4. Expenditure approval

The contract for rock buttressing will span two financial years; therefore approval of funding for both years is necessary to allow a contract for the work to be awarded.

The rescheduled expenditure in Report 10.211 included \$6.66 million to upgrade the seismic resilience of the lakes over the two financial years 2010/11 and 2011/12. \$5.5 million of this funding is to cover the cost of the rock buttressing, including construction, supervision, consultant's costs and internal administration.

Funding of \$2.75 million was approved for the work in the 2010/11 Annual Plan. However, funding of \$2.75 million on rock buttressing in 2011/12 has not been formally approved.

5. Delegation

The Chief Executive has delegation from the Council to approve capital works expenditure contained in the approved Annual Plan. In this case the rock buttress contract will extend over more than one annual plan year; therefore the delegation rule does not strictly apply.

Tenders will be received soon after the October local elections. It is proposed that the Chief Executive be given formal authority by the Council to accept a tender for the work within the approved funding.

6. Communication

This is an internal procedural matter; therefore external communication is not considered necessary. However, a public announcement will be made when a contract for the construction of the rock buttresses has been awarded.

7. Recommendations

That the Council:

1. *Receives the report.*
2. *Notes the content of the report.*
3. *Notes that funding of \$2.75 million was approved in the 2010/11 Annual Plan for the seismic upgrade of the Stuart Macaskill Lakes.*
4. *Approves funding of \$2.75 million in the 2011/12 financial year to complete the construction of rock buttresses for the Stuart Macaskill Lakes.*
5. *Delegates to the Chief Executive, subject to (4) above, the authority to accept a tender, within the approved project funding, for the construction of rock buttresses, being part of the Stuart Macaskill Lakes seismic upgrade.*

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