Corporate & Works Committee

Additional Report

Agenda: *Corporate & Works Committee*

Date: *Monday 18 June 2007*

Time: *6.00pm*

Outline of Meeting Protocol & Procedure:

- The Chairperson will call the Meeting to order and ask the Committee/Staff to present apologies or late correspondence.
- The Chairperson will commence the Order of Business as shown in the Index to the Agenda.
- At the beginning of each item the Chairperson will ask whether a member(s) of the public wish to address the Committee.
- If person(s) wish to address the Committee, they are allowed four (4) minutes in which to do so. Please direct comments to the issues at hand.
- If there are persons representing both sides of a matter (eg applicant/objector), the person(s) against the recommendation speak first.
- At the conclusion of the allotted four (4) minutes, the speaker resumes his/her seat and takes no further part in the debate unless specifically called to do so by the Chairperson.
- If there is more than one (1) person wishing to address the Committee from the same side of the debate, the Chairperson will request that where possible a spokesperson be nominated to represent the parties.
- The Chairperson has the discretion whether to continue to accept speakers from the floor.
- After considering any submissions the Committee will debate the matter (if necessary), and arrive at a recommendation (R items which proceed to Full Council) or a resolution (D items for which the Committee has delegated authority).

Delegated Authority ("D" Items):

- General financial and corporate management of the Council, except those specifically excluded by statute, by Council direction or delegated specifically to another Committee.
- Note: This <u>not</u> to limit the discretions of nominated staff members exercising Delegated Authorities granted by the Council.
- Quarterly review of Council's Management Plan.
- Finance Regulations, including:-
  - Authorisation of expenditures within budgetary provisions where not delegated;
  - Quarterly review of Budget Review Statements;
  - Quarterly and other reports on Works and Services provision; and
  - Writing off of rates, fees and charges because of non-rateability, bad debts, and impracticality of collection.
- Auditing.
- Property Management.
- Asset Management.
- Traffic Management - Works Implementation.
- Works and Services - Monitoring and Implementations.
- Legal Matters and Legal Register.
- Parks and Reserves Management.
- Infrastructure Management, Design and Investigation.
- To require such investigations, reports or actions as considered necessary in respect of matters contained within the Business Agenda (and as may be limited by specific Council resolution).
- Confirmation of Minutes of its Meeting.
- Any other matter falling within the responsibility of the Corporate and Works Committee and not restricted by the Local Government Act or required to be a Recommendation to Full Council as listed below.

Recommendation only to the Full Council ("R" Items):

- Such matters as are specified in Section 377 and within the ambit of the Committee considerations.
- The voting of money for expenditure on works, services and operations.
- Rates, Fees and Charges.
- Donations
- Matters which involve broad strategic or policy initiatives within responsibilities of the Committee.
- Matters <u>not</u> within the specified functions of the Committee.
- Asset Rationalisation.
- Corporate Operations:-
  - Statutory Reporting;
  - Adoption of Council's Management Plans;
  - Quality Service/Communications;
  - Leases.
  - Delegations.
  - Policies.
  - Tenders as per Regulation requirements.
  - Matters reserved by individual Councillors in accordance with any Council policy on "safeguards" and substantive changes

Committee Membership: 7 Councillors

Quorum: The quorum for a Committee meeting is 4 Councillors.

Meeting Agenda

Item	Subject	Pages
	Items to be Submitted to the Council for Decision with Recommendations from this Committee	
R6	Five Ways, Paddington Streetscape Project – Electrical Works	70

Item No: R Recommendation to Council

Subject: **FIVE WAYS, PADDINGTON STREETSCAPE PROJECT – ELECTRICAL WORKS**

Author: Alan Opera - Manager Public Infrastructure
File No: Tender 07/05
Reason for Report: To report on options for electrical undergrounding works at Five Ways Streetscape Project, Paddington

Recommendation:

A. That Council proceed with electrical works for the Five Ways Streetscape Project in accordance with Option 3, being removal of power poles around the intersection and installation of underground lines to adjacent poles for the amount of $625,000 in addition to the previously approved contract sum.

B. That the above works be funded by the deferral of the three infrastructure renewal projects identified in the report.

Background

On 30 April 2007, Council, in considering the report on tenders for the Five Ways, Paddington streetscape upgrading project, resolved as follows:

A. That the implications of not proceeding with the proposed undergrounding of electrical cables detailed in the late correspondence, dated 30 April, be noted.

B. That the Project proceed without undergrounding.

C. That Council enter into a contract with GMW Urban Pty Ltd for the Five Ways, Paddington, Streetscape Project for the sum of $995,079 (excluding GST) including an allowance for provisional items.

D. That unsuccessful tenderers be notified.

E. That staff build into the construction plans the provision for a cost efficient future undergrounding of all overhead cables as proposed as part of the Five Way Project as soon as possible.

F. That the Mayor write to the Australian Competition and Consumer Commission and lay a complaint about Energy Australia's practices in regard to charging in connection with the undergrounding of cables.

Background

<u>Letter to ACCC</u>

With reference to part F of the resolution, a letter has been sent by the Mayor to the ACCC setting out Council's concerns regarding Energy Australia's practices in regard to charging in connection with the undergrounding of cables. No response has been received to date.

Provision for undergrounding of electrical services

To make provision for cost efficient future undergrounding of all overhead cables at the Five Ways, in accordance with part E of the resolution, it will be necessary to install underground conduits to Energy Australia specifications to carry the main lines and to install bases for future Low Voltage pillars from which connections can be made to individual properties. It will also be necessary to relocate a power pole which would have been removed as part of full undergrounding, but will obstruct the proposed pedestrian crossing if left in its present position. Two other power poles also create lesser obstructions of pedestrian routes and would be desirable to move for similar reasons.

Discussions have been held with Energy Australia and the selected contractor regarding the installation of conduits and pillar bases, and relocation of power poles.

Energy Australia have confirmed by letter 1 June 2007 (Annexure 1 that the undergrounding of overhead electricity mains at the Five Ways is deemed to be contestable work, and that the work can be staged, with the first stage being the installation of underground conduits and bases for future low voltage pillars. Energy Australia's non-contestable fees and charges for this work will be $5,800.00 plus GST.

The contractor was requested to obtain quotations for the installation of underground conduits and pillar bases (trenching and ducting). The contractor was also requested to obtain quotations for relocation or removal of the power pole on the north side of the Glenmore Road pedestrian crossing. Two options were priced for this pole: (1) relocation with reconnection of overhead wiring, and (2) removal and underground connections to adjacent overhead poles.

Further, as the works are now deemed to be contestable, the contractor was requested to provide a price to carry out full undergrounding works, to enable comparison with the price previously received from Energy Australia, and to provide a price to remove poles which obstruct pedestrian routes and the sections of overhead wiring which have the most severe impact on the Five Ways intersection.

These prices have been obtained from Energy Australia accredited contractors who are authorised to carry out the works subject to Energy Australia inspections and approval.

Quotations for Options

These options are illustrated in the attached plans (Annexures 3-6).

Quotations received are as follows:

Trenching and ducting	$221,760
Option 4: Relocate power pole in footpath, retain and reconnect all overhead power lines. Removes no overhead (multiple) mains cable, 30m of overhead lighting cable but no house lines. Removes no street light or power poles.	$309,210
Option 3: Remove power pole, connect underground to adjacent poles, Removes 55m of overhead (multiple) mains cable, 64m of overhead lighting cable but no house lines. Removes 3 street light and power poles.	$460,000
Option 2: Remove power poles around intersection, connect underground to adjacent poles. Removes 184m of overhead (multiple) mains cable, 93m of overhead lighting cable and 53m of house lines. Removes 8 street light and power poles.	$625,000
Option 1: Full undergrounding: Remove all power poles at site, connect underground to adjacent poles. Removes 244m of overhead (multiple) mains cable, 93m of overhead lighting cable and 102m of house lines. Removes 11 street light and power poles.	$925,000

In summary, the basic cost to provide for future undergrounding, by installing ducting and pillar bases, and to relocate one power pole which must be moved (Option 4) is $309,000, including restoration work and the contractor's charge for extension of time.

In Option 3, the obstructing power pole is removed and the immediate overhead wiring is undergrounded to adjacent power poles. This option will cost an extra $150,790 over the basic cost.

In Option 2, by removing the four power poles around the intersection, the pedestrian circulation areas (which are one of the primary reasons for carrying out the streetscape upgrade) are freed of any obstructing power poles, and all overhead wiring crossing the intersection and its immediate environs is removed, achieving the greater part of the project objectives. This option will cost $315,790 over the basic cost.

The price for full undergrounding as envisaged in the adopted Fiveways design (Option 1), $925,000, is $615,790 over the basic cost and may be compared with Energy Australia's quoted price of $1,190,000.

Option 2 may be considered to offer the greatest value in visual and pedestrian amenity terms, compared with dollars spent. Option 3 may be considered the next best value in that it enhances pedestrian amenity at a critical location and offers some visual improvement.

The contractor has estimated the works will take four weeks (Options 2 to 4) or five weeks (Option 1), in addition to the 24 week construction period as tendered. If a decision is taken promptly to proceed, it is considered the project can be completed, by rescheduling other parts of the works, by Christmas.

Identification of Income & Expenditure:

A sum of $1,326,539 is allocated in the 2006/07 Infrastructure Renewal Program budget for the Five Ways, Paddington Streetscape Project.

The cost to complete the works is $995,079 (excluding GST), the accepted contract sum, plus one of the above options, Energy Australia fees of $5,800, adjustment to Telstra Pits ($40,000), and consultancy costs of approximately $68,000.

The total cost for this project therefore will be $1,108,879, plus:

Option 4: $309,000, total $1,417,879
Option 3: $460,000, total $1,568,879
Option 2: $625,000, total $1,733,879
Option 1: $925,000, total $2,033,879

It is suggested that Option 2 or 3 be considered. Assuming the above total costs, Council would need to allocate an additional sum of between $242,340 and $407,340 to the project.

Funding

As noted in the previous report, whilst the Five Ways project has been identified as a streetscape project, it is noted that a significant component of the works will involve the upgrading of currently substandard footpath and roadway which would otherwise form part of the Infrastructure Renewal Program. Both the footways and the roadway at the Five Ways are rated as the highest (worst) condition rating applied by Council. The footway is rated as condition rating 4 (the worst possible condition for footways). The roadway is rated as condition rating 5 (the worst possible condition for roadways), and in fact the roadway has already failed and requires full reconstruction. The kerb and gutter at the Five Ways is rated as condition rating 4 (i.e. Poor). Whilst this rating is not satisfactory, it does not require immediate reconstruction. The kerb and gutter would, however, have to be reconstructed in conjunction with the reconstruction of the roadway and the footpaths.

These substandard assets have not previously been included in the Infrastructure Renewal Program as they were identified as part of the Five Ways Streetscape project. The cost for renewal of the road, kerb and gutter, and footpaths at the Five Ways in existing materials (i.e. interlocking pavers, Concrete K&G, and A.C. roadway) as part of the Infrastructure Renewal Program would be in the order of $435,000.

It is recommended therefore that the shortfall in funding of $242,340 and $407,340 be funded from the Infrastructure Renewal Program for 2007/2008. It is proposed that this be achieved by deferring the following projects until 2008/2009:

- Glenmore Road (both sides) – Brown Street to Five Ways – Footpath $175,545
- Glenmore Road (east) – Gurner Street to Hoddle Street – Footpath $ 72,604
- Jersey Road (south) – Oxford Street to Rush Street – Footpath and K&G $150,402

The Glenmore Road footpaths are adjacent to the Five Ways site and are all rated as condition rating 4 (i.e. Poor). Due to the higher level of pedestrian traffic in the Five Ways, however, the Five Ways footpaths have a higher risk rating (5) compared to these three footpaths (4). Both of these footpaths can be maintained in serviceable condition for twelve months without increased risk by carrying out suitable short term maintenance. The Jersey Road footpath has a lower risk rating of 3 and the priority of these works has been determined by the kerb and gutter. Some ponding in the gutter and footpath trips can be managed with temporary maintenance in the short term.

Conclusion:

The basic cost to provide for future undergrounding, as required by part E of the resolution of 30 April 2007, is $309,000, to install ducting and pillar bases, and to relocate one power pole which must be moved, including restoration work and the contractor's charge for extension of time.

Other options have been considered to improve pedestrian amenity and address the original objectives of the streetscape upgrade design. Option 2 may be considered to offer the greatest value in visual and pedestrian amenity terms, compared with dollars spent. Option 3 may be considered the next most cost effective in that it enhances pedestrian amenity at a critical location and offers some visual improvement.

The reallocation of funds from the three projects identified above, to fund the renewal of the substandard footpaths and roadway within the Five Ways is considered to be an appropriate use of funds from the Infrastructure Renewal Program. The deferral of these projects for one year will, where appropriate, be offset with increased maintenance works and therefore will not represent a significant increase in the risk of failure of these assets.

Alan Opera
Manager – Public Infrastructure

Warwick Hatton
Director Technical Services

Annexures

1. **Letter from Energy Australia dated 1 June 2007**
2. **Plan of existing street lights and cables**
3. **Plan of Option 4**
4. **Plan of Option 3**
5. **Plan of Option 2**
6. **Plan of Option 1**