

ORDINARY MEETING	1
13 FEBRUARY 2019	

**PROJECT LAUNCH APPROVAL FOR PT18224-02 NDRRA REPAIR WORKS
- TC NORA FLOODING EVENT 24-29 MAR 2018**

Martin Perkowicz | 30/8/1-01 | #5980015

RECOMMENDATION:

That Council:

1. Approves the NDRRA Repair Works Project Launch Approval (PLA) with an overall Project Launch Budget (PLB) of \$4.6M and an Approved End Date (AED) of 31 December 2020; and
2. Delegates authority to the Chief Executive Officer in accordance with the *Local Government Act 2009* to enter into contracts, negotiate, finalise and execute any and all matters associated with or in relation to this project subject to Council's procurement practices and policies.

EXECUTIVE SUMMARY:

In March 2018, the Cairns region received significant rainfall and flooding associated with Severe Tropical Cyclone Nora. Numerous road and drainage assets were damaged and Council applied to recover repair costs under the State and Federal Governments' Natural Disaster Relief and Recovery Arrangements (NDRRA).

A Project Launch Budget of \$4.6M is proposed for Lake Morris Road. Works include \$3.2M of NDRRA funded repairs to stormwater pipes and road embankments with the balance of works to patch repair and fully reseal the road pavement funded by Council.

BACKGROUND:

On 26 March 2018, the Cairns region experienced significant rainfall associated with Severe Tropical Cyclone Nora. The most severe rainfall was experienced in the Copperlode Dam area with the rainfall intensity approaching ARI 200 (200 year average recurrence interval) for a 3 hour duration. This intense rainfall led to ARI 100 (100 year average recurrence interval) flooding in the Redlynch Valley. The rainfall and resultant flooding damaged numerous Council assets, particularly on Lake Morris Road and in the Redlynch Valley.

Natural Disaster Relief and Recovery Arrangements (NDRRA) were activated allowing Council to recover costs for Counter Disaster Operations (CDO) and Restoration of Essential Public Assets (REPA) from the State and Federal Government.

COMMENT:

The following submissions were made under the NDRRA Event – Severe Tropical Cyclone Nora and Associated Flooding, 24 – 29 March 2018:

	Requested Funding (\$'000)	Ineligible Costs (\$'000)	Eligible Costs (\$'000)
CDO	18	-	18
Emergent	1,114	51	1,063
REPA			
Actuals	79	-	79
Claim 1 Various Locations	933	290	644
Claim 2 Lake Morris Road	3,340	136	3,203
Claim 3 Cascade Drive	14	-	14
TOTAL	5,499	477	5,022
CRC Trigger Point			(780)
NET FUNDING			4,242

This PLA relates to REPA Claim 2 Lake Morris Road and involves the replacement of numerous undermined/subsided stormwater pipes and the stabilisation of road embankments and cut batters.

The original grant submission totalled \$3.34M, however some items were deemed ineligible due to evidence of existing damage prior to the event. The approved grant value is \$3.2M. It is proposed that Council fund the ineligible items as completing these works concurrently will provide value for money through reduced mobilisation, traffic management and supervision costs.

It is also proposed that Council fund a further \$836K for the road to be patch repaired and then fully resealed in order to reduce the risk of further damage in future weather events. Provision of a standard ten percent contingency requires an overall project launch budget of \$4.6M.

It is anticipated that the NDRRA funded works will commence in April 2019 and be completed by late June 2020. Road patching and resealing works would commence on completion of the NDRRA works and would be completed by December 2020. The works will therefore be funded over three financial years and the complementary works will be included into future capital budget submissions.

OPTIONS:Option 1

That Council:

1. Approves the NDRRA Repair Works Project Launch Approval (PLA) with an overall Project Launch Budget (PLB) of \$4.6M and an Approved End Date (AED) of 31 December 2020; and

2. Delegates authority to the Chief Executive Officer in accordance with the *Local Government Act 2009* to enter into contracts, negotiate, finalise and execute any and all matters associated with or in relation to this project subject to Council's procurement practices and policies.

Option 2

That Council does not progress with the works.

CONSIDERATIONS:

Risk Management:

Description of Risk	Impact of Risk	Proposed Solution
Works cost more than budgeted	Additional costs	Justify additional expense to QRA and seek variation to grant funding.
Additional costs not approved as variation to grant funding	Additional contribution required by CRC	Additional financial contribution required from CRC
Works not completed within grant deadlines due to inclement weather, latent conditions or other delays.	Additional contribution required by CRC	Engage external resources as required to ensure deadlines are met
Additional works required that are not eligible for NDRRA funding	Additional contribution required by CRC	Additional financial contribution required from CRC

Council Finance and the Local Economy:

The ineligible repairs, proposed additional pavement repairs and bitumen resealing works were not originally budgeted in the capital works program. However, completion of these works in conjunction with the approved NDRRA works will provide value for money through reduced mobilisation, traffic management and supervision costs.

Works are to be undertaken utilising a combination of Council resources and local prequalified subcontractors.

Community and Cultural Heritage:

Lake Morris Road is popular with tourists, cyclists and runners. The proposal will result in an improved recreation space by providing better accessibility. Cultural heritage notifications are not required as the proposed works are within the road reserve.

Natural Environment:

The proposed works will reduce the long-term impact on the natural environment by decreased risk of landslips and erosion at the culvert sites. The short-term impact during construction will be mitigated by adherence to a site-specific environmental management plan and regular inspections by Council's environmental officers. National Parks and the Wet Tropics Management Authority will be consulted and permits obtained where required.

Corporate and Operational Plans:

The proposal aligns with Strategic Goals 3 and 4 of the Corporate Plan.

Statutory:

The Lake Morris Road corridor is overlaid by the Protected Plants survey trigger mapping under the Nature Conservation Act 1992. As the works are maintenance activities and are required to avoid or reduce risk of serious damage to buildings or property an exemption applies and a clearing permit is not required.

CONSULTATION:

Minimal consultation is required as the works are only to repair or replace of existing assets to their original standard. Road users shall be notified of the required road closures and traffic delays via variable message boards on the road verge and public notices on the Council website.



Bruce Gardiner
General Manager Infrastructure Services

PROJECT MANAGEMENT FRAMEWORK										
PROJECT APPROVAL DOCUMENT					SECTION E					
PROJECT LAUNCH APPROVAL										
1	PROGRAM NAME				PC18224 - NDRRA - TC NORA Flooding Event 24-29 MAR 2018				DM#	5975697
	PROJECT NAME				NDRRA - TC NORA Flooding Event 24-29 MAR 2018 - Claim 2					
	PROJECT NUMBER			PT18224-02	PROJECT STATUS DOCUMENT (DM#)			0		
	INTERNAL/EXTERNAL			INTERNAL	COUNCIL DIVISION			100 - More than one Division		
	CLIENT INTERNAL									
	DEPARTMENT				Infrastructure Services		BRANCH		Cairns Works	
	UNIT				CWC		NEW/RENEWAL/UPGRADE		Renewal	
	CLIENT EXTERNAL (Full Name)			0						
	ASSET CLASS			0		ASSET NUMBER		0		
2	RECOMMENDATION									
	It is recommended that Council _____ approves the Project Launch Approval (PLA) for project PT18224-02 NDRRA - TC NORA Flooding Event 24-29 MAR 2018 - Claim 2									
	Comment									
	Project Launch Budget (PLB) - refer to Section 10							\$4,600,000		
	Approved End Date (AED) - refer to Section 4							31/12/2020		
3	PROJECT DESCRIPTION									
	Repair various road and drainage assets damaged during flooding resulting from TC Nora. Works funded from NDRRA grant submission. Refer "NDRRA Assessment Details" for the list of sites. Following completion of NDRRA works undertake various pavement repairs and reseal the entire road.									
	Project Drivers / Objectives									
	Repair assets to a suitable standard.									
4	Proposed PLA date									
	PIA	13/02/2019	PPA	13/02/2019	PDA	13/02/2019	PLA	13/02/2019		
	Milestone (Outline major milestone activities and their forecast completion)							Date		
	Milestone 1		Completion of NDRRA funded works				30/06/2020			
	Milestone 2		Completion of Council funded resealing works				31/12/2020			
	Milestone 3									
	Milestone 4									
	Milestone 5									
	PIA	31/12/2020	PPA	31/12/2020	PDA	31/12/2020	PLA	31/12/2020		
	FINANCIAL INFORMATION									
5	PROJECT FUNDING SOURCES									
	Source	PIA		PPA		PDA		PLA		
	Revenue	\$1,396,542		\$1,396,542		\$1,396,542		\$1,396,542		
	Developer Contributions	\$0		\$0		\$0		\$0		
	Other (please specify)	\$0		\$0		\$0		\$0		
	Operations	\$0		\$0		\$0		\$0		
	Grants	\$3,203,458		\$3,203,458		\$3,203,458		\$3,203,458		
	Total	\$4,600,000		\$4,600,000		\$4,600,000		\$4,600,000		
	GRANT ID	NDRRA Grant CRC.27.18		Grant Funding Agreement DM#		0				
	Comment: (include any budget transfer required)	\$780,315 CRC Trigger Point for obtaining Grant has been reached.								
6	RISKS- Describe any additional risks identified after the PDA									
	(Outline the major risks associated with the project which may impact on delivery of the scoped project on time and on budget)									
	Description of Risk	Impact of Risk			Proposed Solution			Cost to Mitigate		
	Works cost more than budgeted	Additional costs			Justify additional expense to QRA and seek variation to grant funding.			N/A		
	Additional costs not approved as variation to grant funding	Additional contribution required by CRC			Additional financial contribution required from CRC			Included in contingency		
	Works not completed within grant deadlines due to inclement weather, latent conditions or other delays.	Additional contribution required by CRC			Engage external resources as required to ensure deadlines are met			Included in contingency		
	Additional works required that are not eligible for NDRRA funding	Additional contribution required by CRC			Additional financial contribution required from CRC			Included in contingency		

7 RESPONSIBLE OFFICERS	
Client Representative	Heliuss Visser
Deliverer Representative	Martin Perkowicz
Project Manager	Martin Perkowicz
Other	0

8 MINIMUM ENERGY PERFORMANCE STANDARDS FOR CAPITAL WORKS PROJECTS			
Does the design and construction comply with Council's Minimum Energy Performance Standards?	Y	Supporting Document Number DM#	
COUNCIL GENERATED WASTE			
Will this project produce Council generated waste? (i.e. excavation, demolition)	Y	Supporting Document Number DM#	



9 PROCUREMENT ARRANGEMENTS	
Outline the procurement arrangements to be followed or those that have been followed for the project. This relates only to the substantive components of the project.	
Deliver internally or with prequalified subcontractors.	

10 REVISED PROJECT BUDGET ESTIMATE (Outline the details for each main project phase) at Launch Approval								
Initial Budget Estimate	Submission	\$ 4,600,000	PIA	\$ 4,600,000	PPA	\$4,600,000	PDA	\$4,600,000
REVISED PROJECT BUDGET ESTIMATE (Outline the details for each main project phase) at Launch Approval								
Project Phase	Status	Estimate / Cost		P (Accuracy)		Total		
		Phase	Contingency (incl. in Total)					
INITIATE				P		\$0		
PLAN				P		\$0		
DESIGN				P		\$0		
DELIVERY	Not Started	\$4,600,000	\$420,000	P		\$0		
FINALISE				P		\$0		
TOTAL		\$ 4,600,000	\$ 420,000			\$4,600,000		
PROJECT LAUNCH BUDGET (PLB) REQUIRED						\$4,600,000		

11 VARIATIONS IN THE ORIGINAL BUDGET VS PLB							
	Year 1	Year 2	Year 3	Years 4-5	Years 6-10	TOTAL	
Estimate at PIA (or previous year budget allocations)	\$1,004,000	\$2,760,000	\$836,000	\$0	\$0	\$4,600,000	
Estimate at PPA	\$1,004,000	\$2,760,000	\$836,000	\$0	\$0	\$4,600,000	
Estimate at PDA	\$1,004,000	\$2,760,000	\$836,000	\$0	\$0	\$4,600,000	
Estimate at PLA	\$1,004,000	\$2,760,000	\$836,000	\$0	\$0	\$4,600,000	
	ITD	2018/19	2019/20	2020/21	TOTAL		
Adopted Budget	\$0	\$0	\$0	\$0	\$0		
PLB	\$0	\$1,004,000	\$2,760,000	\$836,000	\$4,600,000		
VARIATIONS IN THE ORIGINAL BUDGET VS PLB	\$0	-\$1,004,000	-\$2,760,000	-\$836,000	-\$4,600,000		
Comment:	Council acquired NDRRA Grant CRC.27.18. Balance of funds will be sourced from Road Programs in future years programs.						

12 ATTACHMENTS	
DM# if applicable	
DM# if applicable	
DM# if applicable	

13 APPROVAL	
All necessary planning and other statutory approvals have been identified and/or responsibility for obtaining such approvals has been allocated.	Y

14 LEGAL REVIEW OF UNDERLYING CONTRACTS			
Have the major underlying contracts been reviewed by Council's legal advisors?			Y
(If no, outline below how contracts have been drafted)			
Submitted for Approval by Project Manager:			
Name:	Martin Perkowicz		
Position:	Manager CWC		
Signature:		Date:	10/01/2019
Endorsed by General Manager: (Delete if not applicable)			
Name:	Bruce Gardiner		
Signature:		Date:	06/02/2019
Approved by Council		(as per Capital Expenditure Delegations)	
Submitted to:	Ordinary Meeting		
Date:	13 February 2019		
Has PLB for this Project been included in the 10 year Capex Projections?			
File Number	50/5/12		
Does a report need to go to Council? i.e. over CEO delegation			Y
Document Number:			