

*Creating the ultimate
living environment*



**WHANGAREI
DISTRICT COUNCIL**

Notice of Meeting

A meeting of the Whangarei District Council will be held
in the Council Chamber, Forum North, Whangarei on:

**Wednesday
26 May 2010
10.00 am**

Committee

His Worship the Mayor (Chairperson)

Cr C B Christie

Cr V P D Cocurullo

Cr S J Deeming

Cr S M Glen

Cr A D Goodhew

Cr P R Halse

Cr S L Mai

Cr G M Martin

Cr B L McLachlan

Cr S L Morgan

Cr K J Sutherland

Cr W L Syers

Cr M R Williams

Vision Statement

*To be a vibrant, attractive and thriving District
by developing sustainable lifestyles based around
our unique environment, the envy of New Zealand
and recognised world wide.*

Whangarei District Council

Call to order – all present rise for the Mayor
Opening Prayer
Apologies
Declaration of Conflicts of Interests

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**Recommendations contained in the Council agenda are NOT Council decisions.
Please refer to Council minutes for resolutions.**

1. Minutes: Whangarei District Council Wednesday, 28 April 2010

Minutes of a meeting of the Whangarei District Council held in the Council Chamber Forum North on Wednesday 28 April 2010 at 10:03 am

Present:

His Worship the Mayor (Chairperson)

Crs C B Christie, V P D Cocurullo (10.04 am), S J Deeming, S M Glen, A D Goodhew, P R Halse, S L Mai, G M Martin, B L Mclachlan, S L Morgan, W L Syers and M R Williams

Apology:

Cr K J Sutherland

Moved: Cr Syers

Seconded: Cr Martin

"That the apology be received."

CARRIED

In Attendance:

Chief Executive Officer (M P Simpson), Financial Controller (B Murphy), Team Leader Planning (D Kula), Councillor Support (J Benyon) and Senior Meeting Co-ordinator (C Brindle)

Cr Glen opened the meeting with a prayer.

1. Confirmation of Minutes of a Meeting of the Whangarei District Council held on 24 March 2010

Moved: Cr Syers

Seconded: Cr Williams

"That the minutes of the meeting of the Whangarei District Council held on Wednesday 24 March 2010, having been circulated, be taken as read and now confirmed and adopted as a true and correct record of proceedings of that meeting."

CARRIED

Cr Cocurullo joined the meeting at 10.04 am at this juncture.

2. Confirmation of Minutes of an Extra-ordinary Meeting of the Whangarei District Council held on 22 March 2010

Moved: Cr Glen

Seconded: Cr Syers

"That the minutes of the Extra-ordinary meeting of the Whangarei District Council held on Monday 22 March 2010, having been circulated, be taken as read and now confirmed and adopted as a true and correct record of proceedings of that meeting."

CARRIED

3. Confirmation of Minutes of the Creative Communities Assessment Committee of the Whangarei District Council held on 23 March 2010

Moved: Cr Mai
Seconded: Cr Morgan

"That the minutes of the meeting of the Creative Communities Assessment Committee held on Tuesday 23 March 2010, having been circulated, be taken as read and now confirmed and adopted as a true and correct record of proceedings of that meeting."

CARRIED

4. Police Report

Item 4 was withdrawn from the agenda.

5. Granting of Easement – Taurikura Bay

Moved: Cr Christie
Seconded: Cr Morgan

- "1. That the information be received.
2. That council approves the granting of an access right of way easement in favour of Burns and Morgan (Lot 5 Deposited Plan 17413) over approximately 24 square metres of the council's Recreation Reserve situated at Taurikura Bay (Lot 11 Deposited Plan 17413) pursuant to Section 48 of the Reserves Act 1977.
3. That the Parks and Recreation Manager be delegated authority to complete the necessary procedures to give effect to Recommendation 2 above."

CARRIED

The meeting closed at 10.09 am

Confirmed this 26th day of May 2010

S G A Semenoff (Chairperson)

2. Minutes: Extra-ordinary Whangarei District Council Tuesday 11 May and Wednesday 12 May 2010

Minutes of an Extra-ordinary meeting of the Whangarei District Council held in the Council Chamber Forum North on Tuesday 11 May at 1.00 pm and on Wednesday 12 May 2010 at 1.00 pm

Present:

His Worship the Mayor (Chairperson)

Crs C B Christie, V P D Cocurullo, S J Deeming, S M Glen, A D Goodhew, P R Halse, G M Martin, B L McLachlan, S L Mai, S L Morgan. K J Sutherland W L Syers (1.01 pm) and M R Williams

Apology:

W L Syers (late arrival)

Moved: Cr Deeming
Seconded: Cr Martin

"That the apology be sustained."

CARRIED

In Attendance:

Chief Executive Officer (M P Simpson), Chief Operating Officer (J Thompson), Group Manager Support Services (A Adcock), Group Manager Environment (P Dell), Group Manager Infrastructure and Services (S Weston), Waste and Drainage Manager (G Oldcorn), Policy and Monitoring Manager (P Waanders), Financial Controller (B Murphy), Team Leader Futures Planning (K Grundy), Senior Specialist (N Landingin), Strategic Policy Planner (A Liang), Strategic Planning Co-ordinator (S Munday), Policy Planner (M McGrath), Councillor Support (J Benyon) and Senior Meeting Co-ordinator (C Brindle)

Cr Cocurullo opened the meeting with a prayer.

1. Submissions to the Draft Annual Plan 2010/2011

Moved: Cr Mai

Seconded: Cr Goodhew

- "1. That any submissions identified as being received after the close of the submission period be accepted for consideration by Council.
2. That the submissions relating to the Draft Annual Plan and Statement of Proposal for an Amendment to the Long Term Council Community Plan 2009-2019 be received and heard."

CARRIED

Submitters addressed the council with regard to their written submissions and answered questions from Councillors. The submitters who were heard are listed:

Employers and Manufacturers Association (Northern) Peter Atkinson

Robyn Hembry

Northland Regional Council – Ken Patterson (CEO) and Mark Farnsworth (Chairman)

Onerahi Focus Group – John Clark

Department of Conservation – Sue Reed and Rolf Fuchs

Tourism Development Group – Jereon Jongejans

Tutukaka Coast Residents and Ratepayers Association Inc – Sophie Edwards

Whangaruru Coastguard – Nicki Wakefield

Kara Dodson

Bike Northland – Stuart Bell

Parawhau ki Otaika Toe Toe Hau Kaianga Whangarei – Mira Norris

GE Free Northland – Zelka Grammer

Zelka Grammer – Personal submission

Royal Forest and Bird Society – Bev Woods

Otuhi Road Residents – Brian Jenkins

Paper Plus Whangarei – Adam Isa

Northland District Health Board – Public and Population Health – Anil Shetty

Princes Road Residents – David Bayliss

Ruakaka Parish Residents and Ratepayers Association Inc – Warren Daniels

Bream Bay Action Group – Margaret Hicks

Margaret Hicks – Personal submission

Whangarei Economic Development Group – Brett Sawyers

Milan and Angela Erceg.

Moved: Cr Cocurullo

Seconded: Cr Glen

“That the meeting be adjourned to be reconvened in the Council Chambers, Forum North on Wednesday 12 May 2010 at 1.00 pm.”

CARRIED

Cr Halse left the meeting at 4.10 pm following the submission by Warren Daniels.

Cr Christie left the meeting at 4.31 pm following the submission by Margaret Hicks.

**THE MEETING ADJOURNED AT 4.51 PM ON TUESDAY 11 MAY 2010 AND
RECONVENED IN THE COUNCIL CHAMBERS, FORUM NORTH ON WEDNESDAY
12 MAY 2010 AT 1.00 PM**

**THE MEETING RECONVENED IN THE COUNCIL CHAMBERS, FORUM NORTH ON
WEDNESDAY 12 MAY 2010 AT 1.00 PM**

Present:

His Worship the Mayor (Chairperson)

Crs C B Christie, V P D Cocurullo, S J Deeming, S M Glen, A D Goodhew, G M Martin, B L McLachlan, S L Mai, S L Morgan. K J Sutherland W L Syers and M R Williams

Apology:

P R Halse

Moved: His Worship the Mayor

Seconded: Cr Morgan

"That the apology be sustained."

CARRIED

In Attendance:

Chief Operating Officer (J Thompson), Group Manager Support Services (A Adcock), Group Manager Infrastructure and Services (S Weston), Financial Controller (B Murphy), Strategic Planning Co-ordinator (S Munday), Councillor Support (J Benyon) and Meeting Co-ordinator (D Taylor)

Submitters addressed the council with regard to their written submissions and answered questions from Councillors. The submitters who were heard are listed:

Sunshine Homes – Stuart Ross

J B and R M Keith Trustees Ltd – John Keith

Parua Bay Community Focus Group – Glenn Mortimer

Federated Farmers of New Zealand – Auckland – Richard Gardner

Vitalise Whangarei – David Moss

Ngunguru Sandspit Protection Society Inc – Beth Erickson

Don Hedges

James Blackburn

Water Safety New Zealand – Avan Polo

Dockland 5 Ltd – Jack McClardy

Northland Chamber of Commerce – Tony Collins

Shushila Ajani

Pat Kat Ltd – Dave Walters

Alan Agnew

Russell Benneto – Busck Pre-stressed Concrete

Alan Agnew.

The meeting closed at 3.37pm

Confirmed this 26th day of May 2010

S G A Semenoff (Chairperson)



3. Police Report



Reporting Officer: Carolyn Brindle (Senior Meeting Co-ordinator)
Date: 14 May 2010

The above report had not been received at the time the agenda closed and will be circulated prior to or tabled at the meeting.

4. Increase in Value of Contract - Whangarei District Council Chipseal Resurfacing

Reporting Officer: Jeffrey Devine (Roading Manager)
Date: 14 May 2010

Vision Mission and Values

This item is in accord with Council's Mission, Vision and Values statement as it supports sustainable land use management and transportation, providing a quality environment and protecting those assets that contribute to community health and well-being.

Local Government Act 2002 – The Four Well-Beings

Cultural: *This item has no impact on cultural significance.*

Economic: *This item considers the appropriate use of public funds.*

Environmental: *This item has no effect on environmental issues.*

Social: *This item considers the needs of the individual against the need to be fair and equitable for the whole community.*

This Contract is for the resealing of sections of pavement within the Whangarei District Council Network and includes presurfacing repairs, kerb and channel and footpath repairs. The work is also within Parks and Reserves carparks and roadways. This contract is currently held by Fulton Hogan Ltd.

This contract requires a high degree of co-operation between the Contractor and the Engineer. The Engineer to this contract is Opus International Consultants Ltd. The detailed investigations carried out by the Contractor to facilitate the design of the works may necessitate review of the outputs of the treatment selection process. This is effectively a design, build contract, and has been operating in this manner for the previous 8 years.

This contract was awarded on a 3+1+1 year basis for \$8,297,703.00 (excl GST) for the first three years. The expiry date for the three-year term was 30 April 2009. The fourth year was approved for rollover at the Infrastructure and Services Committee meeting 12 August 2009.

In February 2009, the Council entered into a joint venture with Fulton Hogan Ltd forming the Whangarei Roading Alliance, with the intention of moving to a collaborative partnership contract with the contractor to provide a framework for improved asset management. This is to be achieved by identifying savings through optimised service levels, allowing more work to arise from current funding. Also by strengthening collaboration between the Council and the contractor, enabling decisions to be made more efficiently and effectively by working more closely together.

The resurfacing contract is part of the package of works currently included in the Alliance Partnership with Fulton Hogan. The value of resealing works for the 2009/10 season was reduced from \$2.4 million to \$1.5 million as part of the Alliance maintenance strategy developed to meet Councils "Hold and Maintain" maintenance strategy for the network.

Council issues a financial authority to spend up to the value of the tendered sum when awarding a contract. If that financial authority is exceeded, then staff are required to return to Council for a new or additional financial authority to cover the remaining obligations of the contract.

The approved contract value, for this contract is currently \$9,974,851.35 (excl GST). This amount was approved at the Infrastructure and Services Committee meeting of 12 August 2009.

The final contract value at the end of Separable Portion 4 (2009/10) is forecasted to be \$10,224,851.35. This final contract value amount is made up of reseals (\$7,533,011.73), pavement work (\$2,217,257.14), concrete work (\$443,429.22) and carparks (\$31,153.27).

The main reasons for the difference between the August 2009 approved amount and the current forecasted amount is due to the extent of repairs required on the network and the amount allowed for escalation. The amount allowed for escalation was initially 3% of the original contract value. The current escalation is tracking at 13% of the original contract value. The balance is due to the extent of repairs, i.e. overall network condition is deteriorating.

If Council approval is given for the increase in contract value, to Fulton Hogan Ltd, for the fourth term of their contract (SP4), then the predicted final value of these contracts will increase by \$250,000 to \$10,224,851.35.

This is a measure and value contract and the actual payments to the contractor are based on the quantity of works completed and the tendered schedule of rates. Each contract allows for the tendered schedule of rates in the contract to be adjusted for cost increases annually after the first year, based on the previous year's cost fluctuations, as determined by the published Construction Cost Indices, provided by the NZ Transport Agency.

All of these works are completed within the Council's approved budget in any one year. This increased contract value (\$250,000) can be budgeted from savings brought about in this seasons design and construct projects.

Recommendation

That the contract value (CON06006 – Whangarei District Council Chipseal Resurfacing) be increased from \$9,974,851.35 to \$10,224,851.35.

5. Road Maintenance South Area

Reporting Officer: Michael Batchelor (Roading Maintenance Engineer)

Date: 12 May 2010

Vision, Mission and Values

This item is in accord with council's Mission, Vision and Values statement as it supports sustainable land use management and transportation, providing a quality environment and protecting those assets that contribute to community health and well-being.

Local Government Act 2002 – The Four Well-Beings

Cultural: *This item has no impact on cultural significance.*

Economic: *This item considers the appropriate use of public funds.*

Environmental: *This item has no effect on environmental issues.*

Social: *This item considers the needs of the individual against the need to be fair and equitable for the whole community.*

Road Maintenance South Area

This contract involves carrying out of routine maintenance work on sealed and unsealed roads. The works include drainage maintenance, vegetation control, traffic facilities maintenance, sign maintenance, footpath maintenance, road strengthening, road surface maintenance and other authorised road works throughout the Southern Area. Currently this contract is held by Transfield Services.

The contract was let on a partnership basis, allowing the contractor to develop a relationship with council staff, some ownership of the network, its problems and a role in the management of the roading network on a day-to-day basis. The contract terms also rewarded a contractor's good performance with the opportunity to extend the contract period from 1 to 5 years.

The contract was let for an initial one-year period in 2006 and made allowance to extend the contract period for two successive two-year periods, dependant on the Contractor's performance. The value was \$7,978,214.00 for the first three years (excluding GST). The initial year period expired on 15 November 2007 and was extended for a further two years to 15 November 2009 and then a further one-year term to 15 November 2010. However, the contract value will be exceeded before this date.

The current approved contract value for the contract is \$15,151,890.00. A programme of heavy seal maintenance was implemented this season whereby \$1.8 million was reallocated from Pavement Renewals and capital works to the maintenance contracts as approved by the Infrastructure and Services Committee in September 2009. Storm damage repairs to the value \$476,000 were also carried out this financial year under this contract.

It has been estimated that the additional contract amount required up to the end of the current contract period will be \$1,750,000. This will take the approved contract sum to \$16,901,890.00 excluding GST. This sum does not include allowances for any possible future storm damage.

These contracts are measure and value contracts and the actual payments to the contractor are based on the quantity of works completed and the tendered schedule of rates.

All of these works are completed within the council's approved budget in any one year.

Recommendation

That the contract value for Contract 06004 (Road Maintenance South Area) be increased by \$1,750,000 (excluding GST).