



Item No: 16.1.6
File No: 5.65.2.5
Date: 21 November 2016
Attachment: A

Meeting: Council
Title: ERA Water Financial Report
Responsible Manager: Chief Executive Officer, Kiki Magro
Author: Chief Executive Officer, Kiki Magro
Type of Report: Information

Recommendation

Pursuant to Section 83(5) of the Local Government Act 1999, the Chief Executive Officer indicates that the matter contained in this report may, if the Council so determines, be considered in confidence pursuant to Section 90(2) of the Local Government Act 1999 on the basis that the information contained in the attached report is information of the nature specified in subsections 90(3) (d) of the Act being to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party.

Recommendation (Public)

Moved:
Seconded:

That pursuant to Section 90(2) of the Local Government Act 1999 Council order that the public be excluded, with the exception of the Chief Executive Officer, Kiki Magro, the General Manager Heather Barclay and the Protocol Governance and Compliance Officer, Deb Bria from being present at the meeting on the basis that the matter contained in this report entitled ERA Water Financial Report) is information of a confidential nature (not being a trade secret) as specified in subsections 90(3)(d) of the Act and the disclosure of which could reasonably be expected to prejudice the commercial position of th person who supplied the information; or confer a commercial advantage on a third party

Recommendation (Confidential)

That the ERA Water Financial Report be received and noted.

Recommendation (Confidential)

Moved:

Seconded:

That the Council, having considered the said information or matter in confidence under Part 3 of Chapter 6 of the Local Government Act 1999, orders, pursuant to Section 91(7) of the Local Government Act 1999, that the agenda item entitled ERA Water Financial Report and any other documentation relative to the report be retained in confidence, excluding the minutes for 12 months or until such time as the project is finalised:

and

That Council resolves to end its confidential deliberations pursuant to Section 90(2) of the Local Government Act 1999 Council and re-admit the public.

Purpose of Report

To provide Council with an update on expenditure against budget for the ERA Water project.

Background

The ERA Water Financial Report is presented as at 26 October 2016. The contract for the Pipeline, Mechanical & Electrical, Civil and ECI Contracts (early contract involvement) are lump sum / fixed price. Any variations to the scope are represented in the 'contingency' line items appearing under each categorisation of works.

The Financial Report only relates to the budget and expenditure for Stage 2 complete works (construction) across two financial years. Notwithstanding delays due to rock being encountered and recent inclement weather, the project and budget is on track.

The original (initial) budget for the project, including 2015/16 works, had an allocation in the order of \$2m for contingencies. To date, (across the two financial years) a total of \$548,825 has been spent (as variations to the scope). The total contingency budget for the entire project has been adjusted to approximately \$1.6m, with a forecast expenditure for 2016/17 in the order of \$1.3m.

The total original (initial) budget for the project was set at \$21,592,425 and it is expected that the total forecast spend will be in the order of \$20,777,901.

As at 26 October 2016, there was an unallocated contingency budget of \$814,524.

Attachment A: SADB Variation Register & Project and Project Budget & Expenditure Report - Summary

Attachment A: SADB Variation Register & Project Budget and Expenditure Report Summary

Date Updated:
26-Oct-16

Funding Allocation Summary	
Federal Government	\$ 7,600,000
NRM Board	\$ 2,000,000
Councils' Contribution	\$ 12,000,000
Total	\$ 21,600,000

Notes:

- Budget and expenditure figures are for Stage 2 only
- Pipeline, Mech & Elec, Civil, & ECI Contracts are Lump Sum. Any variations to the scope will be captured in the contingency line items

WATERPROOFING EASTERN ADELAIDE - STAGE 2 PROJECT BUDGET						STAGE 2 TOTAL EXPENDITURE TO DATE	2015-16 FY ACTUAL EXPENDITURE	2016-17 FY PREDICTED EXPENDITURE	STAGE 2 TOTAL PREDICTED SPEND
No	Activity	Qty	Unit	Rate	Initial Budget				
1 Install Pipeline Network									
Pipe Network (includes Design)									
1.1	125mm PE Pipe				\$ 1,607,750	\$ 517,186	\$ 387,471	\$ 1,220,279	\$ 1,607,750
1.2	180mm PE Pipe				\$ 5,199,223	\$ 2,044,791	\$ 1,003,969	\$ 4,195,254	\$ 5,199,223
1.3	280mm PE Pipe				\$ 1,677,985	\$ 69,962	\$ 67,701	\$ 1,610,284	\$ 1,677,985
1.4	Contingency (Rock & Project)				\$ 1,217,574	\$ 548,825	\$ 275,186	\$ 1,309,358	\$ 1,584,544
1.4.1	SA Water Pipeline purchase and connection/rectification					\$ -	\$ -	\$ 320,500	\$ 320,500
1.4.2	Rock					\$ 402,420	\$ 220,535	\$ 181,885	\$ 402,420
1.4.3	Latent conditions					\$ 9,967	\$ 9,440	\$ 527	\$ 9,967
1.4.4	Reserve Connections					\$ -	\$ -	\$ -	\$ -
1.4.5	School – internal works					\$ -	\$ -	\$ 805,000	\$ 805,000
1.4.6	Line extensions					\$ 10,625	\$ -	\$ 14,095	\$ 14,095
1.4.7	Pipeline route modifications					\$ 125,813	\$ 45,211	\$ -	\$ 546,209
1.4.8	Approvals								
1.4.9	Conduit Works							\$ 578,771	\$ 578,771
	SUB-TOTAL				\$ 9,702,533	\$ 3,180,764	\$ 1,734,327	\$ 8,335,175	\$ 10,069,502
2 Mechanical & Electrical									
2.1	4 th Creek Harvest (Felixstow Treatment Site)				\$ 1,432,528	\$ -	\$ -	\$ 1,432,528	\$ 1,432,528
2.2	3 rd Creek Harvest (Media Filter @ Marden)				\$ 1,258,324	\$ -	\$ -	\$ 1,258,324	\$ 1,258,324
2.3	Distribution Pump Stations				\$ 2,284,031	\$ -	\$ -	\$ 2,284,031	\$ 2,284,031
2.4	Power Augmentation				\$ 592,472	\$ 14,116	\$ 33,964	\$ 558,508	\$ 592,472
2.5	Mech. & Elect. Detailed Design & Project Management				\$ 1,497,409	\$ 454,296	\$ 28,700	\$ 1,468,709	\$ 1,497,409
2.6	PC Sums				\$ -	\$ 19,848	\$ -	\$ -	\$ -
2.7	Contingency				\$ 105,099	\$ -	\$ -	\$ 19,428	\$ 19,428
2.7.1	Civil works								\$ -
2.7.2	Contamination / ground stabilisation								\$ -
2.7.3	CITB					\$ 19,428		\$ 19,428	\$ 19,428
	SUB-TOTAL				\$ 7,169,862	\$ 488,260	\$ 62,664	\$ 7,021,527	\$ 7,084,191
3 Civil Construction Works									
3.1	Felixstow Treatment Site								
3.1.1	Earthworks	5500	m ³	\$145	\$ 797,500	\$ -	\$ -	\$ 797,500	\$ 797,500
3.1.2	Pipelines	1500	m	\$200	\$ 300,000	\$ -	\$ -	\$ 300,000	\$ 300,000
3.1.3	Pits	10	item	\$2,000	\$ 20,000	\$ -	\$ -	\$ 20,000	\$ 20,000
3.1.4	Plantings	1600	m ²	\$62.50	\$ 100,000	\$ -	\$ -	\$ 100,000	\$ 100,000
3.1.5	Biofilters Marden and Felixstow				\$ 1,150,530	\$ -	\$ -	\$ 1,150,530	\$ 1,150,530
3.1.6	Weir walls and pits				\$ 250,000	\$ -	\$ -	\$ 250,000	\$ 250,000
3.1.7	Bore Drilling and Establishment				\$ 100,000	\$ -	\$ -	\$ 100,000	\$ 100,000
3.3	Contingency				\$ 420,000	\$ -	\$ -	\$ -	\$ -
3.2.1	Rock								\$ -
3.2.2	Groundwater mitigation								\$ -
3.2.3	Latent conditions								\$ -
	SUB-TOTAL				\$ 3,138,030	\$ -	\$ -	\$ 2,718,030	\$ 2,718,030
4 Project Management									
4.1	Project Management				\$ 700,000	\$ 136,470	\$ 136,470	\$ 187,709	\$ 324,178
4.1.1	CEO					\$ 105,300	\$ 105,300	\$ 34,700	\$ 140,000
4.1.2	Design management								\$ -
4.1.3	Approvals						\$ -	\$ 40,000	\$ 40,000
4.1.4	Community engagement					\$ 128	\$ 128	\$ -	\$ 128
4.1.5	Board costs					\$ -	\$ -	\$ 40,000	\$ 40,000
4.1.6	Administration costs					\$ 26,991	\$ 26,991	\$ 53,009	\$ 80,000
4.1.7	Council inhouse costs					\$ 4,050	\$ 4,050	\$ 20,000	\$ 24,050
4.1.8	Interest on Debt					\$ -	\$ -	\$ -	\$ -
4.2	ECI – Reviews, workshops and management				\$ 582,000	\$ 317,223	\$ 139,955	\$ 442,045	\$ 582,000
4.3	Contingency				\$ 300,000				\$ -
	SUB-TOTAL				\$ 1,582,000	\$ 453,692	\$ 276,425	\$ 629,754	\$ 906,178
	Budget Expenditure at Stage 2				\$ 21,592,425	\$ 4,122,717	\$ 2,073,416	\$ 18,704,485	\$ 20,777,901

Total Stage 2 Predicted Spend \$ 20,777,901

Unallocated Contingency \$ 814,524