

## Public Question Time

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### Question from Alessandro Trevisin

My query goes to the capital construction rates paid by the Council, and also the type of capital projects it undertakes – does the council think it gets fair value for rate payers' money, and does the council spend its money wisely on projects that are actually needed?

I draw attention to two items:

1. The reconstruction of the intersect at Montague Street and Park Street in South Melbourne which occurred in the first half of the 2020 calendar year.
  - a. this intersection was in perfect working order prior to the reconstruction and the works was labelled a 'streetscape improvement.'
  - b. The project essentially involved:
    - i. the raising of zebra crossings on the west and northern sides and repainting the crossings
    - ii. new plants at the North East and South West corners
    - iii. replacement of some curbing, and
    - iv. a storm water pit and associated 'raingarden'
2. Replacement or resetting of perfectly good bluestone street gutters
  - a. I have noticed this occur on several occasions in the South Melbourne area over a few years

The 'streetscape improvement' at the intersect at Montague Street and Park Street in South Melbourne was delivered at a cost of \$250,000 – the cost of materials used in the project would, at my guess, be in the low tens of thousands of dollars leaving the remainder to labour costs and a margin for the contractor. In my experience, capital projects incur a materials and equipment cost roughly half of total cost, and the other half is incurred in the installation. – seemingly totally different to your cost proportions.

With the resetting of bluestone gutters, it seems that these are in perfectly good working order and do not need replacement.

I can understand the importance of keeping the jobs associated with these types of projects, and I think that the teams that physically work on these projects are particularly good at what they do. However, it is difficult to understand and accept the cost associated with these projects.

Does the Council think it is getting a competitive set of offers when tending capital works, undertaking capital works which are not required, and is it spending the rate payers' money wisely?

### Response

Value for money is a key consideration in both selecting and delivering projects for the community. While employment is an indirect benefit of Council's capital program it is not a driver in the selection of projects.

Capital projects selection is based on several drivers such as asset condition (driven from asset management plans and based on regular asset condition and defect audits), legislative requirements (e.g. health and safety, building code compliance, improving accessibility to ensure public spaces are safely and easily accessible to people of all ages and abilities), to deliver improved sustainability outcomes and to implemented the stated priorities of Council

as articulated in the Council Plan. Council operates a rigorous project delivery framework. As part of that framework, anticipated benefits are required to be identified for all capital projects to enable judgement on value in approving expenditure. These benefit estimates are then reconciled at the end of the project to determine value for money. The project portfolio is reviewed by councillors and consulted on as part of the draft budget to ensure community input on value for money as well.

In terms of delivery of projects, Council generally runs a competitive procurement processes to support value for money. Where we don't believe this has been achieved – which happens on occasion - we abandon the process and relook at our approach. For larger projects we also use independent quantity surveyors to validate costings and variations. We also have governance processes in place to monitor scope, schedule, costs, benefits and risks during project delivery and closure reports articulating actual versus planned scope, benefits and costs and lessons learned for future projects.

In terms of the specific projects referred to in your question:

### **Montague and Park St Intersection Upgrade**

The Montague and Park St Intersection Upgrade was identified as a priority from Direction 2 of the Council Plan and Port Phillip Integrated Transport Strategy Action 15 on Pedestrian Infrastructure improvement. The priority was to increase accessibility for pedestrians via the raised Zebra Crossings that permit prams, wheelchairs and others with mobility challenges to cross safely. The works included new stormwater drainage, landscaping and street furniture and new asphalt overlay of the road pavement. Wherever possible we aim to deliver integrated project outcomes that achieve other Council priorities as well, and in this case a raingarden was included to contribute to Council's goals to reduce stormwater pollution entering Port Phillip Bay in accordance with Direction 3 of the Council Plan and Council's Act and Adapt Sustainable Environment Strategy.

The project was completed at a cost of \$249,000 for construction. The works were awarded through a public tender process, with the preferred tenderer selected based on best value criteria including price, quality and method to complete the works. Costs were benchmarked against a civil engineer's estimate for the works.

### **Bluestone Kerb Repair/Replacement**

Council owns and maintains 473km of kerb and gutter across the municipality. This asset plays an important role in removing road surface water into Council's stormwater drainage system and requires regular maintenance and renewal in order to manage nuisance local flooding, protect the road surface and maintain community amenity and safety. Council regularly assesses the condition of kerb and gutter assets and undertakes maintenance/renewal work on kerbs assessed as being in poor or very poor condition.

Kerb and gutter replacement/resetting may be triggered by the need to remediate localised drainage issues/stormwater ponding, or structural deterioration of the kerb and channel which allows water ingress into the road base and consequently compromising the structural integrity of the road pavement under traffic load conditions. In this regard original bluestone gutters do not have mortar joints and are only butted together - making water ingress more likely. For this reason bluestone gutters may require resetting with mortar to seal the gutter, even if they appear to be visually sound.

*\*Please note: answers to any questions in Public Question Time which were answered at the meeting are included in the minutes of that meeting.*