

Report

To: Council

From: Adina Foley

Date: 16 December 2020

Subject: **Marton Playground Upgrade – Project Cost and Scope**

File: Marton Playground Upgrade project files; and 2020-21 Annual Plan; and Resolutions 19/AIN/015, 19/RDC/285, 19/RDC/288.

Purpose

The purpose of this paper is to present the current forecast costs to Rangitikei District Council (RDC) for the Marton Playground Upgrade project, and document the scope of RDC's involvement in this project.

Background

The Marton Development Group (MDG), a community group, raised significant funds to replace and enhance the Marton Memorial Hall Playground located on Wellington Road, Marton. Consultation with Council and the community was undertaken, and a final design by Boffa Miskell was endorsed by Council in 2019.

Council agreed at a series of Council meetings and through the endorsed Annual Plan 2020-21 to contribute funding and infrastructure to the project. In addition, a number of commitments were made by Council to Marton Development Group which were not formalised through Council resolutions.

Construction of the new Marton Playground commenced on 2 November 2020 and is due to complete in March 2021.

Council Commitments to the Project

Council's formal commitments to this project total \$274,700. The budgets and funding areas are detailed in Appendix A.

In addition, Council has expanded the area of Council-owned land that the park can occupy. The value of this is not captured in the budget.

A number of informal commitments have been made to MDG regarding Council's contributions to the project. These have originated from verbal discussions or unofficial meetings with elected Council members and Rangitikei District Council staff. These have not been consistently documented. The current estimate of these informal (non-Resolution) commitments is an additional \$115,252.39 and can be seen in Appendix A.

The scope in Appendix A has been confirmed by MDG to be their understanding of RDC's commitments.

Budget

The current estimate of Rangitikei District Council's formal and informal commitments to the project, based on the existing design, is \$389,952.39.

Drivers for expenditure

The main reason for the increase in costs are:

- additional engineering drawings for subsurface drainage
- lack of changing hourly fee to fixed fee arrangement with project management contractor before the project started the construction phase
- cost to connect to existing storm and fresh water
- Toilet location lacking near source of power
- Drinking fountain that became part of the scope

The cost items in this memo should be accounted for as they are forecast or realised expenses to RDC, which have arisen through formally and informally committed costs.

Recommendations:

That Council agrees to a budget overspend of \$115,252.39 for the Marton Memorial Hall Playground Upgrade project, noting the Council's cost for the project will be \$389,952.39. To the extent that this unbudgeted capital expenditure is unable to be offset by savings in other capital projects, will result in an increase to Council's debt.

Adina Foley
Project Manager

Appendix A: Council Budget for Marton Playground Upgrade

| Financial Commitments (all excl. GST) | | | | |
|--|-------------------------------|---------------------|---------------------|----------------------|
| Item Description | Council Resolution | Budgeted | Forecast cost | Budget vs Forecast |
| Toilets | Adopted 2020-21 annual plan | \$150,000.00 | \$172,950.00 | -\$22,950.00 |
| Parks Partnership Grant | 19/RDC/288 | \$50,000.00 | \$50,000.00 | \$- |
| Drainage connection to main storm water pipe | 19/RDC/285 | \$37,000.00 | \$20,775.00 | \$16,225.00 |
| Drainage under the playground (Provisional Sum) | 19/AIN/015 | \$37,700.00 | \$13,202.00 | \$24,498.00 |
| Drainage under the playground (Contingency) | 19/AIN/015 | \$- | \$10,000.00 | -\$10,000.00 |
| Project Management and QS | verbally agreed | \$- | \$70,000.00 | -\$70,000.00 |
| Consents | verbally agreed | \$- | \$217.39 | -\$217.39 |
| Contingency | verbally agreed | \$- | \$10,000.00 | -\$10,000.00 |
| Drinking Fountain | verbally agreed | \$- | \$5,976.00 | -\$5,976.00 |
| Rubbish disposal | verbally agreed | \$- | \$5,000.00 | -\$5,000.00 |
| Playground Auditor | verbally agreed | \$- | \$6,000.00 | -\$6,000.00 |
| New bark | verbally agreed | \$- | \$2,500.00 | -\$2,500.00 |
| Water connection RDC (Fresh, Storm, Waste water, back flow device for toilets) | verbally agreed | \$- | \$8,000.00 | -\$8,000.00 |
| Move power pole | internally agreed | \$- | \$3,282.00 | -\$3,282.00 |
| Drainage Design (incl. CCTV) | internally agreed | \$- | \$4,000.00 | -\$4,000.00 |
| Lighting | internally agreed | \$- | \$5,000.00 | -\$5,000.00 |
| Signage in front of playground | internally agreed | \$- | \$250.00 | -\$250.00 |
| Admin. cost of mem. hall playground proj | Transfer 18/10/18, Ref 99893 | \$- | \$1,000.00 | -\$1,000.00 |
| Creative NZ Funding Grant | Transfer 11/10/19, Ref 103682 | \$- | \$1,800.00 | -\$1,800.00 |
| TOTAL | | \$274,700.00 | \$389,952.39 | -\$115,252.39 |