

January 2025 update on Phase 3 Cyclone Gabrielle Slip repairs

Overview

Council engaged Kingston Infrastructure Ltd from 1 October 2024 to lead Kaipara's complex slip recovery programme. Of the slips from storm events January to March 2023, 31 sites across the district were deemed complex, defined loosely as the expected solutions needed individual specialist investigation and option analysis.

Estimated costs for repairs to these 31 sites were forecast at \$15m based on the initial Emergency Works Assessments of March and April 2023. In November 2024, NZTA advised they would provide Council a further 10% Financial Assistance Rate to the 20% Emergency Works enhanced FAR (making 30% over Councils base FAR), for slips completed by 30 June 2025.

Whilst 31 slips were initially shown as complex, Council are aware of further significant slips where the road has failed since the storm events of 2023 that now require urgent attention. Examples include

- Cove Road Mangawhai underslip – this occurred after the storm events of 2023 but at Councils request is included within the emergency works allocation. A design was completed prior to October 2024 and is awaiting pricing from the WDC/FNDC/KDC physical works panel.
- Paparoa Oakleigh Road RP4990 where a previously minor slip suddenly failed mid-2024, requiring an extensive retaining wall and reinforced soil slope (repair currently 90% complete through use of an collaborative Geotech and Early Contractor Involvement / pricing process),
- Tangowahine Velley Road RP13670 where an underslip has further eroded and destabilised the shoulder adjacent to the River (design underway)
- Whakapirau Road RP10000 which is now single lane after the eastbound lane collapsed in late 2024 (design complete, pricing received, repair proposed to be delivered through Road Maintenance contract)
- Murray Road RP3350 where an interim solution is required due to continued movement of a larger slip causing a major displacement of the pavement causing high risk for trucks and light vehicles (interim solution to be delivered through Road Maintenance contract)
- Bickerstaff Road where previously attended slip sites have further regressed into the single lane sections creating a high risk of access due to the road already being retreated (designs complete, awaiting land entry negotiations to be completed for construction)

Conversely, three of the sites on the complex list (Maitahi Rd RP1638), and Paparoa Oakleigh Road RP5255 and RP5432) do not need work by 30 June 2025 as either a third party will address the slip or the interim repairs have performed better than expected.

Over 40 slips have been jointly assessed since 1 October 2024, and proposed remedial actions developed that reflect the funding timeframe and need for compressed construction window.

Mitigating Known Risks to achieve Slip Repairs by 30 June 2025

For Council to deliver the majority if not all the complex slips by 30 June 2025 at the enhanced FAR, a change in procurement and delivery process is needed to optimise the construction window of October 2024 to April 2025. This is detailed under Procurement Policy on the next page. The traditional procurement process uses consecutive steps, in that every step or handover is to one party in a chain. Delays are common at every step be it one day or two weeks, as risks are transferred and assessed, internal approvals are sought, whilst changes made mean going back to the start. The recommended alternative uses more a “scrum” approach where the parties involved have the delegated authority to do what is needed, and activities occur concurrently. Whilst a scrum process can be seen as having less checks and balances, it is typically more successful and effective in delivery where the team representatives commit to sharing risk and using delegated authority prudently to achieve the agreed joint outcome. This was a key theme Council agreed to as part of implementing the recommendations of the Section 17A service delivery review of the Transportation Activity in 2023-24.

The recommended approach is to use a common Geotech provider working in collaboration between design and construction, resulting in designs that can be completed by 30 June 2025 in parallel with pricing. This will focus on delivery outcomes that utilise a combination of

- cost-effective pavement reinstatement rates that can be obtained through Councils new Roothing maintenance contract.
- utilisation of the \$200,000+ of surplus slip reinstatement materials obtained from the Brynderwyn stockpile which includes H-Piles and large HDPE culverts, and
- Invited competitive pricing and subsequent engagement of contractors who have known history of completing reinforced soil slopes or cantilever retaining walls (timber or H pile) in a compressed construction window where the retaining wall / shear key is above \$200,000

In practical terms, physical works projects for slip repairs to \$150,000 would be led by Downers under the new integrated delivery roading contract including engagement of their suppliers for minor shear keys or simple retaining walls, and project leadership. For projects over \$200,000, at least three contractors will be invited to price building the shear key / retaining wall / road retreat under an invited tender, and Downers or their suppliers will be asked to rebuild the pavement under the maintenance contract. Projects between \$150,000 and \$200,000 will be assessed on case by case.

NZTA have advised the approved funding for Cyclone Gabrielle will not be carried over into the 2025-26 financial year, so slips that are not substantially completed, will need to be funded from the usual three-year block allocation.

Merits of Panel Procurement versus Recommended Approach

The Northland Transportation Alliance sought and gained NZTA approval in 2023 to create a panel of consultants to undertake detailed assessments and design options for these sites. This panel had completed design solutions for ten sites for construction in summer 2024-25. Most of the designs accepted by the NTA involved installing horizontal drainage through or under the slips terminating in private land below the road, with some “shear key or retaining wall options. No land entry agreements had been obtained and further weather events had shown most of these sites had deteriorated further (evident by slip moving further into the road or additional vertical movement downwards of the failure within the trafficable lane). Site visits during October and November 2024 highlighted further design work would be required prior to completing documentation for tendering.

Council trialled using early contractor involvement for the design of the repair to the underslip at Paparoa Oakleigh Road RP4990 using WSP in late 2024. Similarly, in late 2023 Babbage Consultants were separately engaged by Council to undertake a slip repair design using early contractor involvement for the River Road Dargaville flood wall failure and pavement slump. In both cases, the construction window that resulted was significantly less than expected using traditional iterative design and project documentation / construction tendering / negotiation / construction, and the winning pricing received in both cases from the tenderers was below the Engineers Estimate.

Based on this work, WSP were engaged by Council from October 2024 to accelerate the design options assessment of the 31 slips on the programme. This work has resulted in

- two slips on the complex list for Mahuta Gap Road, two on Avoca North Road (only one was on the list although two sites were in RAMM) and one on Glinks Gully Road (not on the list but shown as being from the storm events) were completed through the new Integrated Delivery Team Road Maintenance Contractor (and their suppliers) for less than the previously estimated design cost alone.
- Design options refined for slips that had further deteriorated using the previously obtained geotechnical information that we can now seek updated pricing for.
- New price proposals received for the six highest complex sites that were previously part of the panel process but were not awarded due to high costs. Comparing pricing from the panel members to what we are engaging WSP is not apples for apples due to simplifying the scope of the project documentation required. However, we are seeing savings of over 50% that can be allocated to physical works.

NZTA and Council Procurement rules

In progressing these slip repairs under the enhanced FAR, Council must fit within NZTA's procurement rules. Council achieves this when it follows its internal Procurement Policy that applies to roading activities. To achieve completion of the slip activity by 30 June 2025 and the enhanced FAR, Council's Chief Executive is being asked to specifically approve the use of the clauses or exceptions below, with this briefing forming the basis for these approvals.

Approval to use Clause 17.1.2, A closed tender or proposal may only be used when:

- *Market research has identified that the goods or services are only available from a few suppliers;*
- *Council can demonstrate that it is not practical or cost-effective to conduct an open tender or proposal; or*
- *There is genuine limited time for the procurement process and it is not limited because of poor contract management.*

Approval to waive Clause 16.2 Procurement Plan. *Procurement plans shall be prepared for all classes of goods and services with similar value and risk characteristics and approved by the Chief Executive if over \$100,000, and General Managers if under \$100,000. A condition precedent is that the budget has been approved by Council via a Long Term Plan, Annual Plan or forecasting process.*

Procurement plans will include:

- *Description of the goods and services;*
- *Procurement method;*
- *Selection of a tender evaluation model (including evaluation criteria) and process;*
- *Type of contract and contractual conditions;*
- *Responsibilities of officers and stakeholders;*
- *Risk assessment;*
- *Need for independent oversight or assurance over the process;*
- *Timelines and key milestones, as appropriate;*
- *Resources needed (such as, project manager, evaluation team members, tender or proposal manager and approving authority)*
- *Budget, including as appropriate, the budget for conducting the procurement (such as, external quality assurance, independent assurance, legal advice and project management.*

Procurement plans will also provide for the following value thresholds:

- *Potential contracts with a value of \$100,000 or more are to be competitively tendered, unless an exemption has been authorised by the Chief Executive.*

Recommended next steps

As per the attached Microsoft Project printout, the slip repairs and proposed timelines are outlined. To achieve completion of the slips within the timelines set by Council, it is recommended Council acknowledge the use of Early Contractor involvement with WSP in the design process, and enable invited tenders as per its Procurement Policy.

Blair King

Director

Kingston Infrastructure Ltd