

# Waipoua River Road project contingency

**Meeting:** Externally Funded Projects Committee  
**Date of meeting:** 17 February 2021  
**Reporting officer:** Curt Martin, PGF Roading Project Manager

## Purpose/Ngā whāinga

To seek the Committee's approval to proceed with the option of sealing Waipoua River Road exclusive of the supply and installation of traffic lights and inclusive of a contingency no less than \$100,000.

## Executive summary/Whakarāpopototanga

The Waipoua River Road Sealing project is part of the Kaipara KickStart programme and the budget of \$1.6m is provided via the Provincial Growth Fund (PGF). The budget available for Physical Works is \$1.2m.

The detailed design has been completed and the scope developed to include traffic signals which would allow traffic to be managed on the one way sections. As a result, the contract price to undertake physical works is slightly more than the available budget.

It is recommended to exclude the installation of the above-ground traffic lights infrastructure at this stage. This would result in a revised contract price of approximately \$1.2m (including a contingency of \$100k) thereby significantly reducing the risk of a project overspend.

Depending on the result of the safety audit, any future consent provided by Council for the Waipoua Visitor Centre development project will include a condition to install traffic lights on the road to ensure the road is appropriately safe for the predicted increased volume of traffic.

If these works cannot be funded within the remaining budget, costs would likely sit with Te Roroa or DoC as the promoter of the Rakau Rangatira project.

## Recommendation/Ngā tūhunga

That the Externally Funded Projects Committee:

- a. Endorses the option of proceeding with the sealing of Waipoua River Road exclusive of the supply and installation of the above-ground traffic lights infrastructure at this stage and including a contingency of no less than \$100,000.

## Context/Horopaki

The Waipoua River Road Sealing project is part of the Kaipara KickStart programme and the budget of \$1,600,000 is provided via the Provincial Growth Fund (PGF) to seal approximately 1.5km of the road from State Highway 12 to the Waipoua Visitor Centre.

The road is owned by Te Roroa and the project is part of DoC and Te Roroa's objectives to enable the delivery of the Rakau Rangatira project by creating an enhanced single entry point for the kauri walks and Tane Mahuta experience.

Formal agreement with DoC is yet to be reached, however as the promoters of the Rakau Rangatira project and an Approved Organisation, it has been suggested that Te Roroa approach DoC with regards to vesting the road once complete.

A scope change is recommended to allow the road to be sealed within the available budget including a minimum contingency of \$100,000.

## Discussion/Ngā kōrerorero

The unsealed road is located in the Waipoua Forest generally running adjacent to the Waipoua River on one side, and steep terrain on the other side covered in natural vegetation including relatively mature kauri trees. The road includes two sections of single-lane carriageway.

Due to the steep terrain, the need to protect the native vegetation, and the proximity of the river, it is not economically feasible to widen these two single-lane sections. Consequently, the design initially included the installation of traffic lights at the two locations where the road is too narrow to safely allow two-way vehicle traffic and visibility of oncoming traffic is limited.

The detailed design has been completed and a contract price to undertake the physical works has been negotiated at \$1.26m. The budget available for the physical works contract is \$1.2m.

The option of sealing the road excluding the installation of the above-ground traffic lights infrastructure at this stage has been investigated. This would reduce the physical works contract to \$996k but still includes the traffic lights enabling works (trenching, ducting etc.) to facilitate the installation of the above-ground infrastructure at a later stage. A Road Safety Audit is required to identify what additional safety measures would be required at this stage based on the revised design.

Allowing for a budget of \$100k for additional safety measures as may be directed by the safety audit findings (e.g. additional signage, guard railing, speed control initiatives, etc.) this would result in a revised contract price of approximately \$1.1m and a contingency of \$100k thereby significantly reducing the risk of a project overspend.

This option has been discussed with Te Roroa and the Ministry of Business, Innovation and Employment (MBIE) who have accepted the proposed change of scope noting that a Road Safety Audit would be required, and any future consent provided by Council for the Waipoua Visitor Centre development project (this work is estimated to begin at earliest in summer 2022, potentially summer 2023) will include a condition to install traffic lights on the road to ensure the road is appropriately safe for the predicted increased volume of traffic.

### Options

Option 1: The Committee endorses the option of proceeding with the sealing of Waipoua River Road exclusive of the supply and installation of the above-ground traffic lights infrastructure and including a contingency of no less than \$100,000.

This option would allow the sealing of the road to proceed including the implementation of any safety improvements identified as an outcome of the Road Safety Audit, and with a reasonable contingency of at least \$100,000 to support Te Roroa's objectives to enable the delivery of the Rakau Rangitira project by creating an enhanced single entry point for the kauri walks and Tane Mahuta experience.

Option 2: The Committee does not endorse the option of proceeding with the sealing of Waipoua River Road exclusive of the supply and installation of the above-ground traffic lights infrastructure and including a contingency of no less than \$100,000.

This option would delay or possibly abolish the implementation of the physical works contract and possibly increasing the risk of central Government withdrawing its funding for this project due to lack of progress.

The recommended option is **Option 1**.

### Financial implications

This project is funded via the PGF. The revised project scope of removing the above-ground traffic lights infrastructure from the sealing contract would allow the physical works to be completed within the available budget.

### **Risks and mitigations**

The revised project scope of removing the above-ground traffic lights infrastructure from the sealing contract would provide a contingency of at least \$100,000 and significantly reduce the risk of a project overspend.

### **Significance and engagement/Hirahira me ngā whakapāpā**

The decisions or matters of this report do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via agenda on the website.

### **Next steps/E whaiake nei**

Finalise the contract price including any safety improvements identified as a result of the Road Safety Audit based on the revised design and including a contingency of at least \$100,000, and seek Te Roroa's approval of the revised design prior to awarding the contract.