

Title: Gladstone Road Bridge - Options

Section: Tairāwhiti Roads

Prepared by: Dave Hadfield (General Manager)

Meeting Date: 2 October 2018

Legal Financial Significance = HIGH

Report to COUNCIL for decision

SUMMARY

The purpose of this report is provide options to Council about the balustrades on the Gladstone Road Bridge contract. Three options are provided but Option B discusses in detail the costs and risks associated with the installation of "see through sides".

From a contractual process these variations can be minimised to a figure of \$200,000 but this is subject to Council approving funding reallocations and the consent variation process. If these are not clarified by Friday 12 October 2018 then the programme will be impacted and additional costs of up to \$5,000 per day will be incurred.

The Council has asked for costs to retrofit the upstream side which would cost in the order of \$320,000. The report recommends this component of the bridge (should the decision to vary consent be approved) be put on hold until Council decides on what other projects are reprioritised if it chooses to fund this.

While there are obvious contractual issues, the project team are trying to mitigate this to balance it against a missed opportunity.

The decisions or matters in this report are considered to be of **Medium** significance in accordance with the Council's Significance and Engagement Policy.

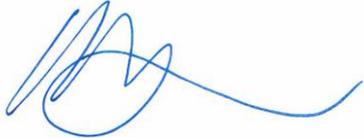
RECOMMENDATIONS

That the Council:

1. **Notes the contents of this report.**
2. **Supports/declines – Option A – The installation of concrete replica balustrades on Gladstone Road Bridge.**
3. **Supports/declines – Option B – The installation of the concept plan or similar on Gladstone Road Bridge subject to:**
 - a) **Funding being sourced from Council's low risk/low cost allocation (minor works) of \$2.47m to complete the downstream side for \$200,000.**
 - b) **Heritage NZ not objecting to any resource consent variation.**
 - c) **A decision on the resource consent process.**

- d) If any of the factors above extend the contract delivery programme then Council defaults to either Option A or Option C.
 - e) A decision on the upstream side being deferred until Council understands what low cost/low risk projects are reprioritised. The costs to install the concept plan would add a further \$320,000 to the project.
4. Supports/declines – Option C – Continue the existing contract and revisit the concept design on both sides at a later date. The estimated cost for this is \$670,000.

Authorised by:



Nedine Thatcher Swann
Chief Executive

BACKGROUND

1. Future Tairāwhiti requested a report to outline options to include “see through sides” on the existing Gladstone Road Bridge project. The report attempts with the best knowledge at hand to provide costings and a course of action if Council wished to pursue this option.

DISCUSSION and OPTIONS

2. Since the meeting on Thursday a few statements needed to be clarified.
3. The existing contract to replicate the concrete balustrades is made up of eight spans with four individual panels within each span. Two spans of the eight will be completed by Thursday 4 October 2018. The contractor has confirmed that the programme will be impacted if a decision is not received by Friday 12 October 2018.
4. The approved work programme is that replica bridge balustrades would be constructed from one end and the panels progressively installed along the bridge length.
5. The contractor is aware of potential changes but to date they are progressing on the current programme.
6. With the decision to let the paper lie on the table, staff have tried to replicate the sentiments of the meeting to the project team. The following actions are in place:
 - a) Transport Agency staff approached Heritage NZ on Friday to determine if they are amenable to an alternative design. The project team drafted a concept plan for this meeting and a hard copy will be presented at the meeting.
 - b) Due to time constraints our immediate objective with Heritage NZ is that while they may not support the concept design, as it could be interpreted as a loss of heritage values, they would not object to the resource consent process because this was the desire of Council.
 - c) A decision on the resource consent process will be a deciding factor on this process, any delays will impact the programme delivery.
 - d) Contractors have been asked to price a potential variation to install steel railings along the bridge. This was confirmed Monday morning and will cost between \$150,000–\$200,000.
 - e) The Transport Agency has made it clear that due to the new Government Policy Statement any variations to this project would have to be redirected to Council.
 - f) There is no funding allocated within the Long Term Plan for this project and it will either have to be an addition to this or other projects have to be reprioritised to recover this cost.
 - g) If the project was adopted it could be additionally funded from the low cost/low risk (minor improvements) budget of \$2.47m, which has a financial assistance rate of 68%. This includes safety improvements around schools, lighting improvements, seal extensions and resilience projects. Currently we have submitted a list of low cost/low risk projects to the Transport Agency to see if they qualify for enhanced financial assistance rates. Therefore staff cannot yet provide to Council what projects will not be actioned this year if the steel railings were funded from this activity class.

- h) A decision to commence on the upstream side should be deferred until the project team can determine the delivery timeframe (should the decision to vary consent be approved). For instance, there is a risk that this may not be finished before the Te Ha celebrations and we have more clarity on what projects will be reprioritised if Council chooses to implement this.
- i) The project was not itemised within the recent Provincial Growth Fund announcements and cannot be funded from this allocation.
- j) Staff have tried to provide a financially balanced view and not overstate or under sell the costings to determine a preconceived outcome. An estimate of costings is provided.

OPTIONS

- 7. There are three options the Council has available, Option A – Status Quo, Option B – Revise the project scope within existing contract and Option C – Complete Option A and install the see through balustrades on both sides at a later date.
- 8. While there are obvious contractual issues, Option B is possible, and the project team are trying to mitigate this to balance it against a missed opportunity.

Option A – Status Quo

- 9. The project continues with the existing outcomes, i.e. concrete replica balustrades and existing programme of delivery continues with completion date February 2019. No costs to Council but an opportunity lost.

Option B – Revise the project scope within existing contract

- 10. This would be separated into two portions;
 - i. Using the existing contractor to install “see through side” panels and a combination of concrete replicas on the existing work site (downstream side). From a construction and contract perspective there would be additional costs of \$150,000–\$200,000. Potentially two months will be added to the contract to construct and install the panels.
 - ii. This is subject to:
 - Council approving the concept plan –there is no Option B.
 - Heritage NZ not objecting to the revised resource consent application.
 - The Transport Agency being willing to prepare a new resource consent application. The expectation is that Council would pay for the processing of the consents.
 - Council's intention as to how the consent process will be managed.
- 11. If agreement cannot be determined and the existing construction programme is delayed, variation costs would be added to the above construction costs. It would occur in incremental order, for instance, when the replica panel's construction is deferred it may be \$1,500 per day but when the Gladstone Road worksite is stopped than expect \$5,000 per day.

12. Using an average of \$16,000 per week, Council would have to determine when enough was enough and revisit this option. The Council should set a maximum timeframe of one week and then pursue other options, i.e. Option A or C, as these are sunk costs that will quickly mount up over time.
13. We have asked the existing contractor to provide an estimate to replicate the upstream side with a similar look to the downstream side. They would cut into the existing concrete balustrades and install “see through side” panels.
14. The maximum order costs would be \$280,000–\$320,000 to complete this. If Council agrees to fund this and the contractor can complete this before the Te Ha celebrations it may be expedient for the existing contractor to finish this. However, this report recommends deferring this until a decision is made on what projects will not be done. This may be also subject to an annual plan change process.

Option C – Complete Option A and install the see through balustrades on both sides at a later date

15. This would allow the original project to be completed and the installation of the balustrades at a later date. The re-establishment costs are the primary reason for the increase in project costs. Additional costs (fuel prices) have been added if this project is initiated in a year's time.

Upstream side	\$320,000–360,000
Downstream side	\$270,000–350,000 (due to re-establishment costs)
Range	\$590,000–\$750,000

ASSESSMENT of SIGNIFICANCE

Criteria	This Report	The Process Overall
The effects on all or a large part of the Gisborne district	Medium	Medium
The effects on individuals or specific communities	Medium	Medium
The level or history of public interest in the matter or issue	High	High
Inconsistency with Council's current strategy and policy	High	High
Impacts on Council's delivery of its Financial Strategy and Long Term Plan.	Medium	Medium
Consideration of consistency with and impact on the Regional Land Transport Plan and its implementation	Medium	Medium

16. The decisions or matters in this report are considered to be of **medium** significance in accordance with Council's Significance and Engagement Policy.

COMMUNITY ENGAGEMENT

17. While there has been public interest in the project the opportunity to consult with the community on the options will be very limited. The Council will have to make a decision on behalf of the community as there will be financial implications if the contract programme is delayed.

CONSIDERATIONS

Financial/Budget

18. The report stipulates different options and explains where they could be funded from but due to time constraints they are an estimate.
19. The costs to provide "see through sides" on the existing Gladstone Road Bridge project was not provided for within the 2018–2028 Long Term Plan projects. While the costs for the project at \$200,000 could be accommodated under the low cost/low risk (minor improvements) activity class, it would mean a reprioritisation of existing safety improvement projects. The projects that "drop off" are not yet available as part of this decision.

Legal

20. There are critical decisions that need to be made.
 - If Council and Heritage NZ are willing to adopt the new concept design.
 - The pathway to obtain a revised resource consent.
 - Where Council decides to fund the project from.

POLICY and PLANNING IMPLICATIONS

21. Not applicable.

RISKS

22. Quality of information – due to time constraints the pricing has been elevated.

NEXT STEPS

Date	Action/Milestone	Comments
2 October	Decision from Council	

APPENDICES

- Concept Plan (will be tabled at the meeting).