

# STAFF REPORT

**TO:** Mayor & Councillors  
**FROM:** Roger Ashworth  
**REFERENCE:** RD 3615  
**DATE:** 9 June 2005  
**SUBJECT:** Salisbury Road Underpass and Cycle Ways –  
Additional Funding

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## PURPOSE

To seek Council approval to secure additional funding for the Salisbury Road underpass.

## BACKGROUND

As part of the 2004/2005 Land Transport programme, the Tasman District Council was awarded \$522,000 for the construction of the Salisbury Road underpass and associated cycle ways. The project was let in two separate portions, namely the cycle ways and the underpass. The underpass is a significant structure that provides for pedestrians and cyclists, in accordance with our Walking and Cycling Strategy and also for the catchment of the Reservoir Creek.

The new structure will be a significant improvement for pedestrians, cyclists and also cater for the catchment of the Reservoir Creek which has significantly increased through growth.

There has been a lot of community consultation undertaken with these projects and the community expectation is high. The benefits for cyclists and pedestrians in particular, come as acknowledgement of increased use of walkways and cycle way, and Council's emphasis on safety.

## CONTRACT

Contract tenders closed on Wednesday 4 May 2005 and three tenders were received.

1	Fulton Hogan Ltd	\$1,052,489.10
2	Works Infrastructure Ltd	\$953,383.50
3	Adcock & Donaldson Contracting Ltd	\$762,008.50

	Tasman District Council Estimate	\$590,110.00
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As you will note, the tender prices are significantly higher than the estimate and also our allocation which is subsidised 59% by Land Transport New Zealand. The current allocation is \$522,300, of which Tasman District Council has a local share of \$266,300. The new requested allocation is now \$909,500, with the Tasman District Council's share being \$372,895. Council currently has allocated \$266,300, leaving a shortfall of approximately \$107,000.

Council has been fortunate in gaining approval from Land Transport New Zealand for their 59% share of the projected over expenditure. In order for the project to progress, Council now needs to find the additional \$107,000. There are several funding streams available to Council. These are:

- Reserve Development Impact Levies
- Nelson City Council pool commitment
- Roading Development Impact Levies
- Non subsidised roading

It is recommended that 50% of the projected over expenditure be financed from the Nelson City Council pool commitment, ie \$53,500 and the remaining \$53,500 be funded from the non subsidised roading budget 2004/2005.

It is important for Council to recognise that the lowest tender received is a very competitive tender and that in general, construction rates are increasing. It is therefore unlikely that if this project was deferred that we would receive a more competitive tender and receive Land Transport New Zealand subsidy.

## **RECOMMENDATION**

**That Council approve an additional \$107,000 for this project to be funded from Nelson City Council pool commitment and non subsidised roading.**

R Ashworth  
Transportation Manager