

Price level adjustment - s 9(2)(b)(ii)

NZ TRANSPORT AGENCY
WAKA KOTAHI

To State Highway Programme Review Committee

Review month June 2015

Item ID Number (SAP) 60202847

Date 11/06/15

Name of project	Akerama Curves Realign & PL
Phase under review	Construction
Current approved total phase cost	s 9(2)(b)(ii)
Increase in total cost	
Revised total phase cost	
Construction cost (as current state highway plan)	
Proposed construction cost (if different)	
Current BCR	
Revised BCR	

Note:

For block projects

- 1 – projects between \$200,000 and \$1 million where the PLI is >25 percent phase cost (*PLA reports for values less than \$30,000 are not required but a brief explanation must be provided in SAP review request notes.)
- 2 - projects >\$1 million where the PLI is PLI >10 percent phase cost. (*PLA reports for values less than \$50,000 are not required but a brief explanation must be provided in SAP review request notes.)

For large projects

- 3 - projects >\$4.5 million where the PLI is PLI >10 percent phase cost or >\$5 million. (*PLA reports for values less than \$50,000 are not required but a brief explanation must be provided in SAP review request notes. Refer also to the P&I case manager, as group manager P&I or the NZTA Board approval may be required.)

Purpose

To seek approval for additional funding of s 9(2)(b)(ii)

What happened

Explain what happened to give raise to the request for additional funds, and why it happened (consultant or contractor liability)? Complete table detailing additional expenses requested.

The physical works estimate was under the contractor's tender prices. Increase in prices in the tender box for Northland over the last year. We believe, with discussion with industry, that there is a high demand for resources which is leading to these higher prices. Wetland works (required by resource consent) not

fully included in estimate. Iwi monitoring (required by resource consent) not fully included in estimate.

Provide details of additional expenses/budget (\$,000)

Item	Initial cost (approved at start) (A)	Previous Price Level Increase (B)	Estimated additional requirements to completion (C)	Final funding request (A+B+C)
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- 1- MSQA
- 2 Construction
- 3 Wetland
- 4 NZTA Costs
- 5 Contingency

Total



Contingency usage

Has all contingency been consumed prior to this application? What contingency is allowed for, for the remaining phase activities?

s 9(2)(b)(ii)

Could it have been prevented

In hindsight, could this have been prevented through better documentation or further investigation? Can lessons be learnt from this?

Engineers Estimate should consider resource shortages over the short/medium term and full requirements from resource consents.

Actions to mitigate further increases

What actions have been taken to ensure no further increases are likely on this project?

Contingency to follow the supply and demand curve.

BCR impact

What effect does the increased cost to the project have on the BCR (including any follow on increases to the construction cost)?

BCR s 9(2)(b)(ii)

Regional sign-off

Confirmation that the manager project management services or state highway manager has seen this request, and has approved it proceeding to the SHPRC

s 9(2)(a)

Other unusual circumstances

State as required

Name James Kaye
Title Project Manager
Date 11/06/15

s 9(2)(a)

Signed

**Email completed form to: – Programme Manager (National Office) –
PPMHNO@nzta.govt.nz**

Information provided on this form and all information on this project is subject to both internal and external audits. You should be able to provide documentary evidence when requested and ensure that you keep a paper trail.