

**Mayor and Councillors
COUNCIL**

5 APRIL 2012

Meeting Status: **Public**

Purpose of Report: For Decision

**PROJECT UPDATE: CIVIC BUILDING UPGRADE AND TOWN
CENTRE IMPROVEMENTS**

PURPOSE OF REPORT

- 1 This report provides an update on progress with the Civic Building upgrade and associated town centre improvements.

SIGNIFICANCE OF DECISION

- 2 This report does not trigger the Council's Significance Policy.

BACKGROUND

- 3 On 15 December 2011 the Council approved the award of the construction contract for the Civic Building redevelopment and agreed to proceed with several associated town centre improvements within the scope of the overall project (report CS-11-413 refers.) Construction work started in February 2012 and this report is the first update on project progress. Subsequent reports will be provided to each meeting of the Corporate Business Committee until the project is completed in March 2013.

CONSIDERATIONS

Project scope

- 4 The overall project includes the construction of the upgraded Civic Building and associated town centre projects: streetscape/landscape immediately surrounding the building; additional car parking to be constructed at Ngahina Street; Rimu Road/Iver Trask intersection; public art, specifically three carved pou in front of the building's main entrance; soft fitout of the upgraded building, ie furniture, fixtures and equipment; and relocating staff from temporary premises to the upgraded building.

Project management

- 5 The Building Intelligence Group (TBIG) has been engaged as project manager for the construction project. TBIG has established good working relationships with the contractor, the design team and council staff. Project management systems have been set up and regular site meetings are being held and are attended by the design team and council staff as well as the contractor. A Project Control Group has been formed and will meet each month (the first meeting was held on 21 March) to review progress and resolve any issues that have arisen. The

group's primary purpose is to ensure the project stays within the approved scope, budget and timeframe.

- 6 The Council's project manager has resigned and a proposal is being sought from TBIG to extend their project management services to cover the majority of the projects included in the scope (described in paragraph four of this report.) The public art component and the staff relocation will be excluded from TBIG's proposal and will be managed by the Council.

Civic Building Upgrade: Programme

- 7 Work on the civic building started on 2 February. After the physical site was established the first stage of the construction programme started on 7 February. This required the complete demolition of a portion of the existing building on the northern side and stripping the remaining building back to its core structure. The works were extensive and there was substantial public interest in the scale of the demolition. The core structure (which represents one of the most expensive components of any building) has been retained and, at the time of writing, demolition is 99% complete with only minor items remaining.
- 8 The two electrical transformers previously situated close to the building have been relocated and replaced. The two that have been removed had capacity of 300KVa and 500KVa. They have been replaced by one which has a slightly increased overall capacity, at 1MVa. The new transformer is on the northern side of Iver Trask Place. The construction team showed good willingness to adapt their programme to accommodate the transformer relocation. Work on the transformer was carried out and completed within the two week programme promised by the contractor.
- 9 The building demolition and transformer removal and relocation were carried out at the same time. Additional traffic management and pedestrian controls were put in place as a consequence and some of these will remain in effect for the duration of the construction project. The Sustainable Home and Garden Show is held on the school playing field on the north side of Iver Trask Place and additional traffic control was in operation throughout the weekend of the show (24/25 March) to ensure safe access of vendors and attendees.
- 10 The project is progressing according to the programme. Work in late March/early April will include installing the lift pit, starting on the exterior framing and completing the foundations for the new part of the building on the north side. When complete this is the area of the building which will contain the Council Chamber, foyer and customer services area on the ground floor.

Civic Building Upgrade: Design

- 11 No significant construction design issues have arisen to date. Geotechnical testing identified soft spots in the ground which required larger concrete foundations and reinforcing steel. There will be a minor contract variation as a consequence, estimated for be approximately \$10,000.
- 12 Landscaping work (Appendix 1 to report CS-11-413 refers) was not included in the construction contract but there will be efficiencies in coordinating the final stages of the building construction with the landscaping. The construction

contractor has prepared a price for the landscaping work around the Rimu Road face of the building and the corner with Iver Trask Place. The price has yet to be checked and confirmed but is within the budget provision of \$220,000. It is proposed TBIG project manage the landscape construction.

- 13 Other design and fitout details including paint colours, acoustic panel colours/pattern, furniture, internal and external signage will be confirmed during March and April.
- 14 Each iwi will commission one of the three pou to stand outside the main entrance of the building. The brief and the commissioning process are expected to be finalised by the end of March. The intention is to commission the work as soon as practical after that so the iwi have as long a period as can be managed in which to complete the pou. The costs will be met from the public art component of the project budget.

Financial Considerations

- 15 The project is on track both against the overall programme and against the construction budget. Construction costs to 14 March are shown in the following table.

| | Budget | Variations | Forecast final cost | Nett approved/certified to date | Balance to complete |
|-----------------------|-------------|------------|---------------------|---------------------------------|---------------------|
| Construction contract | \$5,555,543 | | \$5,641,810 | \$120,658 | \$5,507,746 |
| Project contingency | \$600,000 | \$162,267 | \$437,733 | | \$437,733 |

- 16 Minor contract variations have been approved under the construction contract but are within normal expectations for the type of work carried out to date which carries a higher level of risk, ie demolition, excavation and start up. Amongst other lesser items, these include removal of asbestos, development of a traffic management plan, and structural changes arising from the geotechnical investigations. The estimated value of all construction variations to date (including recent requests) is approximately \$46,000, around 10% of the construction contingency.
- 17 The cost of the transformer relocation was \$116,000. This item was left out of the construction contract and is expected to be met from the global project budget. The general contingency allowance (outside the construction contract) is \$100,000. TBIG project manager advises good progress and limited variation claims to date mean there is capacity to absorb some \$40,000 (of the \$116,000 cost) within the construction contingency and this has been approved. As a result, \$86,000 of the construction contingency has been applied to approved/estimated variations. TBIG project manager reports the budget is tracking in line with expectations, with no items of significant impact.

18 The impact on the general contingency is \$76,000 of \$100,000. Efforts will be made to recover this through the associated town centre projects approved within the overall project:

- Iver Trask/Rimu Road intersection, budgeted at \$170,000
- Additional car parking at Ngahina Street, budgeted at \$530,000, and
- Landscaping works, budgeted at \$220,000 (refer paragraph 12 above, construction estimate received but yet to be confirmed.)

Overall project costs will be reported in more detail at the next project update.

19 The design consultants have submitted a request for a fee adjustment to reflect additional costs incurred through participation in the post tender value engineering process and the changes required to tender documentation. The request is under consideration.

Legal Considerations

20 There are no legal considerations.

Delegation

21 The Council has the authority to consider this report under section A.2 of the Kāpiti Coast District Council Governance Structure:

4 Exercise any other Council powers, duties and functions of a strategic overview nature including:

...

- *coordination and prioritisation of infrastructure development;*
- *dealing with any issues in a timely fashion that would normally be considered or have been referred to Council by any of its Standing Committees.*

Consultation

22 No consultation is required.

Policy Implications

23 There are no policy implications.

Tāngata Whenua Considerations

24 There are no tāngata whenua considerations.

Publicity Considerations

25 The extent of the demolition works in February aroused a significant level of public interest in the project. A communications plan is being developed and project communications will be based around milestones, eg completion of the ground floor slab, making the building weathertight. A proactive approach will be taken, using several different media, with the intention of raising awareness about the project in general, to highlight aspects of particular interest, eg volume of

demolition material that was recycled, and to keep the community informed of progress.

RECOMMENDATIONS

- 26 That the Council notes progress on the Civic Building upgrade and town centre projects as outlined in this report (CS-12-503.)

Report prepared by:

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