

**AGENDA FOR A MEETING OF THE PROJECTS SPECIAL COMMITTEE TO BE HELD IN
THE CIVIC CENTRE, 6 WAIPAREIRA AVENUE, LINCOLN, WAITAKERE CITY,
ON WEDNESDAY, 6 APRIL 2005, COMMENCING AT 9.30 AM.**

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1 APOLOGIES



2 URGENT BUSINESS

Section 46A(7) of the Local Government Official Information and Meetings Act 1987 provides that where an item of business is not on the agenda, it may only be dealt with at the meeting if:

- (i) the Committee by resolution so decides; and
- (ii) the Chairperson has explained at the beginning of the meeting (when open to the public) that the item will be raised for discussion and decision, why the item is not on the agenda, and why it cannot be delayed until a subsequent meeting.

The Committee may make a decision on a matter determined to be urgent.

NOTE: Urgent Business need not be dealt with now and may be delayed until later in the meeting.



3 CONFIRMATION OF MINUTES

Meeting Minutes - Wednesday, 2 March 2005

RECOMMENDATION

That the minutes of the Meeting of the Projects Special Committee held on Wednesday, 2 March 2005, as circulated, be taken as read and now be confirmed.



4 **WAITAKERE CENTRAL CIVIC CENTRE - CONSTRUCTION STATUS REPORT**

PURPOSE OF THE REPORT

The purpose of this report is to provide a monthly construction status update to Projects Special Committee on the Waitakere Central Civic Centre construction project. The period for this report covers February/March 2005.

BACKGROUND

The Waitakere Central Civic Centre construction project was last reported to Projects Special Committee on 2 March 2005 in a report entitled "Waitakere Central Civic Centre - Construction Status Report".

DESIGN

Freight Train Vibration

Implementation of vibration isolation measures as previously reported are in progress. No further vibration isolation measures have been deemed necessary during the report period.

Kitchens

Specialist services have been provided for layout and specification of the main kitchen in the administrative wing and the finishing kitchen in the Civic Wing. These designs are in progress.

Audio Visual System

Specialist advice and design services are being provided for specification and installation of a new audio-visual system for the Council Chamber.

PROGRESS

Construction Status as at March 2005

During the report period, the following activities have taken place:

- Piling completed;
- Foundations nearing completion;
- Drainage installation ongoing;
- Precasting panel production progressing with 48 panels completed;
- Precast wall panel erection on administration building in progress;
- Precast under-floor ducting in progress;
- Exposed aggregate panel construction has commenced off-site.

A1-A5

Status of construction is further reported in the following reports attached at pages A1 to A5.

- Architect's Report No. 3, dated 10 March 2005;
- Canam Construction's report for the period to 17 March 2005.

Timeline Status

The process of assessing and implementing vibration isolation measures has necessitated a revision of the works programme with an impact on the overall timeframe for construction. The resulting time extension claim from Canam Construction is currently under professional review and is expected to be finalised shortly. In the interim, a provisional time cost allowance has been estimated in the reported costs based on a provisional extension of time of 20 working days.

There has been no change in the timeline status during the report period.

TIMELINE STATUS		
Key contract dates / times	As at contract award October 2004	As at March 2005
Acceptance of Tender	7 October 2004	7 October 2004
Contract Commencement	3 November 2004	3 November 2004
Contract Period	350 working days	350 working days
Extensions of Time (provisional estimate)	-	20 w.d. (prov.)
Due Date for Completion (Practical Completion)	12 April 2006	15 May 2006
Fit Out and Commissioning (10 working days)	1 May 2006	29 May 2006
Contingency Time	33 working days	13 working days
“The Move” (To be conducted on a week-end)	17/18 June 2006	17/18 June 2006

Table 1 Timeline Status

FINANCIAL STATUS

During this report period, the value of engineered savings has exceeded the value of contingency expenditure, which resulted in a net contingency saving of \$40,629.00 since the February report.

A6-A12

A summarised financial status for the construction project is provided in Table 2 below. The quantity surveyor's (Rawlinsons) report is attached at pages A6 to A12.

FINANCIAL STATUS			
Project Costs	As at contract award 10/04	Change	As at March 2005
Net Tender Sum	\$36,042,399	-	\$36,042,399
Primary Vibration Isolation Measures	\$243,800	-	\$243,800
Tender Award Value (excl. contingency)	\$36,286,199		\$36,286,199
Secondary Vibration Isolation Measures	\$200,000	\$179,492	\$379,492
Contract Variations	-	\$136,599	\$136,599
Value Engineered Savings	-	(\$329,798)	(\$329,798)
Provisional Extension of Time Cost: Under review - (estimated allowance based on provisional 20 days)	-	\$177,800	\$177,800
Contingency Sum	\$2,000,000	(\$164,094)	\$1,835,906
Total Construction Cost (incl. contingency)	\$38,486,199		\$38,486,199

Table 2 Financial Status

QUALITY

Ongoing quality audits are being conducted by the architect, consulting engineers, Council's independent quality assurance consultant and Council's project manager. Quality of construction audited to date has been of a high standard and no significant quality issues have been reported.

Quality audits undertaken to date confirm that the Contractor's general attitude to maintenance of quality construction practice on site is good.

HEALTH AND SAFETY

During the report period one "near miss" incident was reported, which was dealt with appropriately and measures have been taken to prevent reoccurrence. No further incidents have been reported.

Quality audits to date confirm that the Contractor's general attitude to maintenance of health and safety on site is good.

CONCLUSION

Installation of secondary vibration isolation measures is nearing completion. No further vibration isolation measures have been deemed necessary during the report period.

Further cost savings have been achieved through the ongoing value engineering programme, diligence, rigour and project management of this project. The value of savings achieved during this report period exceeded the contingency expenditure during the same period by \$40,629 which has reduced the overall amount of contingency expenditure reported in February.

The current status of the project as the above-ground building works commence is that less than 10% of the contingency sum has been expended to date. The time taken in resolving the vibration isolation and drainage issues can be accommodated within the allowed time contingency with no impact on the projected date for Council's move to the new facility. However, it is prudent to be aware that the extension of time claim is currently under professional review and is provisionally based on an estimated value of 20 working days. The remaining time contingency of 13 working days is considered adequate for the balance of the project.

The combined results of the value engineering programme together with the positive and co-operative relations between the contractor, architect, quantity surveyor and Council's officers means that the project budget remains in a relatively strong position for the current stage of the project. This diligence and rigour will be ongoing throughout the project.

RECOMMENDATION

That the Waitakere Central Civic Centre - Construction Status Report be received.

Report prepared by: John Schermbrucker, Special Projects Manager.



5 **NEW LYNN LIBRARY AND MEMORIAL SQUARE - CONSTRUCTION STATUS REPORT**

PURPOSE OF THE REPORT

The purpose of this report is to provide the Projects Special Committee with an update on the progress of the New Lynn Library and Memorial Square project.

BACKGROUND

This project consists of the integration of a new public library together with a council service centre, Citizens Advice Bureau, and Memorial Square.

Council entered into Contract ST02018B with Watts and Hughes Construction Company Ltd in November 2004 to construct the New Lynn Library and Memorial Square. Construction commenced in early December and is scheduled for completion in August 2006.

Due to high demand on internal project management resources within the Special Projects area, the project management of the construction phases was contracted out to N-Compass Project Managers.

SUPPLEMENTARY INFORMATION

A13-A21

A copy of the project status report for March 2005 from the project managers (N-Compass Project Managers) is attached at pages A13 to A21.

DESIGN

The current significant design issues being resolved for the library building include the joinery items, specifically the issues desk, and the revised design for the mechanical services system. Discussions are also being conducted with the Returned Services Association regarding the design of the 'poppy wall' at the front of the library.

PROGRESS

Construction, which commenced on 6 December 2004, is continuing and progress to date includes:

- Completion of all footings;
- Completion of importation of hard fill under the ground floor slab;
- Completion of plenum floors;
- Completion of waterproofing to the sub floor;
- Completion of the pouring of the ground floor slab;
- Completion of all drainage and electrical main services;
- Commencement of art wall. Two sections have been poured;
- Commencement of the landscape works around Memorial Square;
- Commencement of the first floor columns;
- Commencement of the structural steel manufacture.

The project is 8 working days behind schedule due to rain delays (in January 2005), design and construction issues. An extension of time claim totalling 12 days has been received from the contractor and this claim has been reviewed by the architect (Craig Moller) and the project managers. As a result of the review, Council has approved an extension of time of 8 days, although only three (3) days will result in additional cost to Council (totalling \$3,540).

Whilst this extension of time does move the practical completion date from 10 August 2005 to 22 August 2005, the library is still well on track for opening in October 2005, as shown in the table below:

TIMELINE STATUS		
Key contract dates / times	As at contract award November 2004	As at March 2005
Acceptance of Tender	26 November 2004	26 November 2004
Contract Commencement	6 December 2004	6 December 2004
Contract Period	165 working days	165 working days
Extensions of Time (provisional estimate)	-	8 w.d.
Due Date for Completion (Practical Completion)	10 August 2005	22 August 2005
Fit Out (15 working days)	31 August 2005	12 September 2005
Contingency Time	23 working days	15 working days
Public Opening	4 October 2005	4 October 2005

Table 1 Timeline Status

FINANCIAL

Value Management

The original tender submitted by Watts and Hughes Construction Company Ltd was in the sum of \$3,897,221. Following the clarification of tags, errors and omissions, Watts and Hughes Construction Company Ltd submitted a revised tender in the sum of \$3,822,378, on the basis of which they were nominated as the preferred tenderer.

This tender sum was still well in excess of Council's target budget and extensive negotiations were held with Watts and Hughes in order to try to reduce the tender sum to an acceptable level. These negotiations included a value management process which identified a number of savings and, as a result, Watts and Hughes Construction Company Ltd submitted a revised tender in the sum of \$3,401,222. This was within Council's target budget and therefore Contract ST02018B was awarded to Watts and Hughes in November 2004.

During the negotiation process a number of additional savings (over and above those included in Watts and Hughes' tender) were identified and these savings were estimated to be \$50,000. An allowance was therefore made for these savings in the approved construction budget.

A20

Since contract award, these savings have been confirmed as being \$55,500 and further savings have been identified. The total savings (over and above those included in Watts and Hughes Construction Company Ltd tender) therefore amount to \$115,250. A breakdown of these savings can be found in the project manager's report at page A20.

Contingent expenditure

During the negotiation process with Watts and Hughes Construction Company Ltd a number of additional costs (over and above those included in Watts and Hughes Construction Company Ltd tender) were identified and these costs were estimated to be \$70,000. An allowance was therefore made for these costs in the approved construction budget. These costs have yet to be confirmed and therefore an allowance of \$70,000 is still included in the current construction cost estimate.

A21

Since construction commenced a number of unforeseen items have arisen which have resulted in additional cost. The total additional costs to date therefore amount to \$131,340. A breakdown of these costs can be found in the project manager's report at page A21.

Financial Status

A summarised financial status for the construction contract is provided in the table below:

FINANCIAL STATUS			
Project Costs	As at contract award 11/04	Change	As at March 2005
Revised Tender Sum	\$3,401,222	-	\$3,401,222
Tender Award Value (excl. contingency)	\$3,401,222	-	\$3,401,222
Less anticipated additional savings (incl. in tender report)	(\$50,000)	(\$5,500)	(\$55,500)
Less additional savings (post contract award)	-	(\$59,750)	(\$59,750)
Plus anticipated additional cost (incl. in tender report)	\$70,000	-	\$70,000
Additional costs (post contract award)	-	\$61,340	\$61,340
Unallocated (to be tagged to project contingency)	\$3,643	\$3,910	\$7,553
Contingency Sum	\$157,000	-	\$157,000
Total Construction Budget	\$3,581,865	-	\$3,581,865

Table 2 Financial Status

Significant work by the project managers and Council's own staff together with the Architects and the Contractor has resulted in unforeseen cost items being offset by additional savings. Considering that the building is now 'out of the ground' and the contingency sum for the contract remains untouched at \$157,000, the risk of over expenditure for this project is therefore considered to be low.

QUALITY

Ongoing quality audits are being conducted by the architect, structural engineer and project managers. Whilst there have been some quality issues identified on site, these have not been significant and have been dealt with by the contractor in an appropriate manner.

HEALTH AND SAFETY

To date no significant issues have been reported.

CONCLUSION

Construction is progressing and whilst the practical completion date has been moved back, the library is still well on track for opening in October 2005.

Whilst there have been some additional costs for the contract, these costs have been more than offset by the additional savings and the construction contingency for the contract remains untouched. The risk of over expenditure for the project is therefore considered to be low.

RECOMMENDATION

That the New Lynn Library & Memorial Square - Construction Status Report be received.

Report prepared by: Peter Sewell, Special Projects Engineer.



PUBLIC EXCLUDED MATTERS

6 WAITAKERE CENTRAL LIBRARY/UNITEC - CONSTRUCTION STATUS

This item will be considered in the Confidential Supplement of the agenda, and has been circulated to members separately with this agenda.

PROCEDURAL MOTION TO EXCLUDE THE PUBLIC

That the public be excluded from the following part of the proceedings of this meeting, namely, Waitakere Central Library/Unitec - Construction Status.

The general subject of the matter to be considered while the public is excluded, the reason for passing this resolution in relation of the matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of the matter to be considered.	Reason for passing this resolution in relation to the matter.	Ground(s) under Section 48(1)(a) for the passing of this resolution.
<ul style="list-style-type: none"> • Waitakere Central Library/Unitec – Construction Status 	<p>The withholding of information is necessary in order to:</p> <ul style="list-style-type: none"> • protect information where the making available of the information - would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information; • enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). 	<p>That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</p>

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 7(2)(b)(ii) and 7(2)(i) of that Act which would be prejudiced by the holding of the relevant part of the proceedings of the meeting in public as follows:

- *The report contains information which if released could affect the Council's negotiations and Council's future access to commercial information from parties concerned.*

