

**AGENDA FOR A MEETING OF THE INFRASTRUCTURE AND WORKS COMMITTEE
TO BE HELD AT WAITAKERE CENTRAL, 6 HENDERSON VALLEY ROAD,
HENDERSON, WAITAKERE, ON WEDNESDAY, 6 AUGUST 2008
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 Chairman 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 CONFLICTS OF INTEREST

The Council has acknowledged in its Code of Conduct that Elected Members need to be vigilant to stand aside from decision making when a conflict arises between their role as a member of the Council and any private or other external interest they might have. This note is provided as a reminder to members to check that no such conflicts arise in relation to any items on this agenda.



4 CONFIRMATION OF MINUTES

Meeting Minutes - Wednesday, 2 July 2008

RECOMMENDATION

It is recommended that the Infrastructure and Works Committee resolve to:

Receive the minutes of the meeting of the Infrastructure and Works Committee held on Wednesday, 2 July 2008, as circulated, and that they be taken as read and now be confirmed.



5 PRESENTATION BY ONTRACK ON NEW LYNN RAIL UNDERGROUNDING STATUS

Ontrack will provide an update presentation to the Infrastructure and Works Committee on the New Lynn Rail Undergrounding project and the status of ONTRACK's construction project:

- Construction methodology;
- Works programme; and
- Traffic management during construction.



6 NEW LYNN INTEGRATED PROGRAMME - STATUS UPDATE JULY 2008

GLOSSARY

Auckland Regional Council	(ARC)
Auckland Regional Transport Authority	(ARTA)
Information and Communication Technology	(ICT)
New Zealand Transport Authority	(NZTA)
Transport Oriented Development	(TOD)
Target Outturn Cost	(TOC)
Waitakere City Council	(Council)

EXECUTIVE SUMMARY

The timing of construction of the Waitakere City Council's (Council's) planned roading projects for New Lynn is heavily dependent on the programme of ONTRACK's rail trench project. To minimise the impacts to the public and businesses in the area it is important to manage the Council's works programme around the ONTRACK project.

ONTRACK is currently in the process of reaching an agreement with its design/build consortium around the initial Target Outturn Cost (TOC 1) of its project scope, which relates to the construction of the rail trench. ONTRACK is undertaking subsequent TOC 2 and TOC 3 design and pricing options for other project elements that are to be constructed "in-corridor" including the rail station, concourse and associated road connections.

ONTRACK has now commissioned a third party review of ONTRACK's and Fletchers' cost estimation work for TOC 1. The Council is awaiting confirmation of the likely completion date for this work. To date ONTRACK has not provided any cost information to the Council.

The Council has engaged WT Partnership, the Council's project quantity surveyor, to undertake an independent assessment of the estimated costs for the elements of the TOC 1 scope that may be identified as the Council's responsibility to deliver. The Council is waiting for ONTRACK to provide a schedule that clarifies the split of responsibility of items; only drawings and a design report have been provided to date.

Council officers and consultants are continuing to work through the pre-lodgement requirements of the New Zealand Transport Authority (NZTA), for the planned Category 1 funding application for construction and land acquisition costs. This application will be lodged in November 2008.

Council officers and Auckland Regional Transport Authority (ARTA) officers have been working through a process to partially 'novate' the contracts that the Council currently holds with its design and quantity surveying consultants, to enable ARTA to deliver their detailed design with the same design team. This 'novation' process is expected to be concluded by August 2008 at which point ARTA will assume the lead role for the detailed design of the New Lynn Rail Station.

The Auckland Regional Council (ARC) Annual Plan has provided no further funding to ARTA for the rail station part of the project. The ARC has also confirmed that it will not fund any part of the bus station outside the rail corridor, as a matter of policy.

ARTA and ONTRACK have recommenced discussions to update the agreements entered into with each party in 2007, it is anticipated that conclusions will be reached within the next couple of months.

Communications services concerning New Lynn will accelerate in preparation for construction commencing in the next construction season. The Council and ONTRACK will jointly host a second public open day when details of the next phases of work are finalised, this will possibly take place mid to late September 2008.

Council officers are seeking written feedback from key stakeholders to determine the level of support for the New Lynn Urban Framework. It is proposed to report to the Policy and Strategy Committee in September 2008 with the final version of the Urban Framework and to outline a programme of work which will seek to further develop the details of the framework for the town centre.

There was \$21,568,000 budgeted in the Annual Plan 2007/2008 which included roading components, land purchase, ONTRACK contribution and communications. Of this amount, \$19.6 million has been carried forward into the Annual Plan 2008/2009.

In the Annual Plan 2008/2009 there is a further \$47,740,600. Additional amounts will be required in the subsequent draft Annual Plan 2009/2010 and draft Annual Plan 2010/2011. Current total Council project costs are estimated at \$149,878,769 exclusive of administrative costs. There are three funding sources from NZTA, ARTA and development contributions currently being investigated which will offset some of the estimated project cost. These amounts have yet to be confirmed but are estimated to be between \$66,330,430 and \$78,330,430. Targeted rating is also being considered as a potential funding mechanism and work is being undertaken to assess its feasibility.

A contract for feasibility and design for Information and Communication Technology (ICT) infrastructure has been awarded. However, funding for construction of ICT infrastructure is currently not included in the New Lynn budget and any further work will therefore require Committee approval and additional budget allocation. A separate report to obtain approval will be submitted in due course which will provide information on the holistic City wide approach, the benefits and funding options which include external subsidies.

RECOMMENDATION

It is recommended that the Infrastructure and Works Committee resolve to:

Receive the New Lynn Integrated Programme - Status Update July 2008 report.

BACKGROUND

1. The status of the New Lynn Integrated Programme was last reported to the Infrastructure and Works Committee on 2 July 2008. This report covers project progress to late July 2008.

DECISION MAKING

Issues

Transport Infrastructure

2. The timing of construction of the Council's planned roading projects for New Lynn is heavily dependent on the programme of ONTRACK's rail trench project. To minimise the impacts to the public and businesses in the area it is important to manage the Council's works programme around the ONTRACK project. It is anticipated that the ONTRACK project will have to have progressed significantly before the majority of Council's projects can be commenced.

Development and Implementation of the town centre

3. Council officers are seeking written feedback from key stakeholders to determine the level of support for the New Lynn Urban Framework. It is proposed to report to the Policy and Strategy Committee in September 2008 with the final version of the Urban Framework and to outline a programme of work which will seek to further develop the details of the framework for the town centre.

Communications

4. On-going liaison group meetings are being held and the Council is in regular contact with ONTRACK to monitor and discuss any issues.
5. At present there is a hiatus in trench and related works as ONTRACK awaits consents from the ARC. The Council and ONTRACK will develop a communications plan to cover the resumption of works and their impact.
6. The Council and ONTRACK will jointly host a second public open day when details of the next phases of work are finalised. We are looking at mid to late September 2008 for the public open day.

Relationship Management & Advocacy

7. A further meeting with the Chief Executives Officers of ONTRACK, ARC, ARTA, the Council, NZTA, and the Office of the Minister of Finance was held on Friday 18 July, where a number of issues were canvassed. These meetings are intended to continue for the duration of the project. The local Member of Parliament for New Lynn, the Honourable David Cunliffe, also continues to be regularly briefed on the issues.
8. The Council's Chief Executive Officer met in Wellington with the Executive Director of Infratil Limited in order to accelerate any joint proposal over land held by the Council and/or Infratil. Further discussions at official levels are also taking place.
9. The Council has been unable to provide clarity to the government about any financial shortfall because ONTRACK has not yet provided their final costings to the Council. This is a significant advocacy hindrance which is being raised with ONTRACK.
10. The ARC Annual Plan has provided no further funding to ARTA for the rail station part of the project. The ARC has also confirmed that it will not fund any part of the bus station outside the rail corridor, as a matter of policy.

11. Communications services concerning New Lynn will accelerate in preparation for construction commencing in the next construction season.

ONTRACK TOC Status

12. ONTRACK is currently in the process of reaching an agreement, with its design/build consortium around the initial Target Outturn Cost (TOC 1) of its project scope, which relates to the construction of the rail trench (base, walls, bridge structures etc). Subsequent TOC 2 and TOC 3 design and pricing options are being undertaken for other project elements that are to be constructed "in-corridor" including the rail station, concourse and associated road connections. The scope of each of these subsequent TOC's is not confirmed at this stage.
13. In relation to the current TOC 1 process, ONTRACK has now commissioned a third party review of the cost estimation work that has previously been undertaken by both the Fletcher quantity surveyors and ONTRACK's quantity surveyors. The appointed independent expert is currently completing this review on ONTRACK's behalf. The Council is awaiting confirmation of the likely completion date for this work.
14. To date ONTRACK has not provided any cost information to the Council.
15. The Council has engaged WT Partnership, the Council's project quantity surveyor, to undertake an independent assessment of the estimated costs for the elements of the TOC 1 scope that may be identified as the Council's responsibility to deliver (e.g. new bridges at Memorial Drive and Hetana Street).
16. Non-cost information, in the form of drawings and a design report, was provided to the Council at a meeting on 3 July 2008 and was subsequently forwarded to WT Partnership. At the meeting, ONTRACK committed to providing a schedule to clarify the split of responsibility of items so that the Council's quantity surveyor could focus attention on independently assessing the estimated cost for these items only. This schedule has not yet been provided.
17. There will be a reconciliation process for the TOC 1 scope when ONTRACK, the Council and ARTA have completed their independent assessments of costs. This process should agree the elements of scope attributed to each party and the associated costs of these scope elements.

ARTA Status

18. Council officers and ARTA officers have been working through a process to partially 'novate' the contracts that the Council currently holds with its design and quantity surveying consultants, to enable ARTA to deliver their detailed design with the same design team. The process of contract novation should be completed by early August 2008 at which point ARTA will assume the lead role for the detailed design of the New Lynn Rail Station.

NZTA Funding Applications

19. Council officers and consultants are continuing to work through the pre-lodgement requirements of the NZTA, for the planned Category 1 funding application for construction and land acquisition costs. This application will be lodged in November 2008. The issues to be resolved include;
 - Details of project phasing (e.g. main works and subsequent phase for Clark Street extension);

- A written undertaking from Council that they will proceed with the Clark Street extension to mitigate NZTA's risk;
 - Confirmation of consent requirements, evidence that all consents are in place and that alterations to designations are confirmed, with lease agreements or Deeds of Grant formalised (designations only required for Clark Street extension);
 - Demonstration of the Council's ownership of bridges;
 - An integrated funding plan, meeting requirements of the NZTA Board Paper (Nov 2007), which states opportunities to reduce funding required from NZTA and the Council through funding contributions related to Town Centre Development;
 - A status report detailing the commitments from public and private parties to develop sites in New Lynn's town centre;
 - Evidence of cost sharing arrangements with services providers to mitigate risk around cost escalation due to unexpected services diversions;
 - Documentary evidence of all consultation on the project (Consultation Report), including with private developers, to satisfy Land Transport Management Act 2003 requirements;
 - Completion of detailed design;
 - Completed safety audits;
 - Construction estimate update for roading components, following completion of detailed design;
 - Project Risk Update and Monte Carlo risk assessment and contingency provided for escalation;
 - A Benefit Cost Ratio of greater than 1;
 - Alteration(s) to designation(s) is/are confirmed, lease agreement settled or Deed of Grant formalised with ONTRACK; and
 - Evidence from traffic modelling that the proposed delay to the Tiverton/Wolverton Phase two (Auckland City Council) still supports the seriousness and urgency of construction in the timeframe sought.
20. With the change in governance structure to the NZTA it would be useful for the Council to present the project to the new Board in October 2008, in advance of the November 2008 application submission. Mayor Bob Harvey has written to the NZTA Chief Executive Officer seeking agreement to this presentation.

Strategic Funding

21. The Answer Company, an external advisory company, progresses with the finalisation of their report on the New Lynn project, which has been critically reviewed by the Strategic Funding portfolio. This has required changes to some of the assumptions used in The Answer Companies' draft report. Further meetings have been held, both within the Strategic Funding portfolio and other key groups such as the Finance portfolio. Deeper analysis of costs is being undertaken to identify and quantify growth, renewal and maintenance cost components of the various projects. A further meeting with The Answer Company was held on 23 July 2008 to clarify these matters and it is expected that in the near future, their report will be finalised.

Development Contributions

22. The Council is currently carrying out a Development Contribution and Financial Policy Review. The review investigates funding of future development and growth that will occur across the whole of the City. The next priority for officers is to ascertain the key principles of the future policy. As this information is developed it will be reported to the appropriate Council Committee for consideration. These agreed principles will then form the basis of future engagement with the developers across the City.

Legal Agreements

23. Discussions with ARTA and ONTRACK in respect of updating the agreements entered into with each party in 2007 have recommenced, and are expected to lead to a conclusion within the next couple of months. A system to monitor progress on all the other legal elements that need to be brought into the process is also currently under development.

Risk Management

24. A planned risk management workshop is currently on hold until the completion of the draft Integrated Programme Plan and is envisaged to be scheduled for September 2008.

Consideration of Community Views

25. The New Lynn Community has been involved in the future planning of New Lynn since the 1996 and 2005 planning Charrettes.
26. Over the last two years, the Council has undertaken a consultation programme with New Lynn landowners in proximity to the rail corridor, and has held 3 public consultation meetings. A portfolio has been established with the responsibility of communications. Council officers are working with the communications advisors from both ONTRACK and ARTA to manage consultation, the media and general public concerns prior to and during the construction period and to ensure that the views of the community are clearly expressed back to the Council.
27. A site office has been established for the rail project in the town centre and provides a base for consultation, providing details on construction, road closures and public transport information available for the public.

STRATEGIC CONTEXT

28. The New Lynn project is identified as one of the Council's top five projects and represents a substantial investment in the Long Term Council Community Plan 2006–2016. The project delivers on the following strategic platforms:
- Urban and Rural Villages;
 - Strong Communities; and
 - Integrated Transport and Communications.
29. The New Lynn project is aligned with a number of strategies:
- The Auckland Regional Growth Strategy, whereby New Lynn has been identified as a regional growth centre;
 - Auckland Regional Land Transport Strategy;
 - The Council's: Transport Strategy 2006 - 2016;
 - Growth Management Strategy; and
 - Economic Development Strategy.

RESOURCES

Timeline/Milestones

30. The timeline and milestones for the project are currently being assessed by officers and will be reported in tabular format in future status reports.

Financial Status

31. There was \$21,568,000 budgeted in the Annual Plan 2007/2008 which included roading components, land purchase, ONTRACK contribution and communications. Of this amount, \$19.6 million has been carried forward into the Annual Plan 2008/2009.
32. In the Annual Plan 2008/2009 there is a further \$47,740,600. Additional amounts will be required in the subsequent draft Annual Plan 2009/2010 and draft Annual Plan 2010/2011. Current total Council project costs are estimated at \$149,878,769 exclusive of administrative costs. There are three funding sources from NZTA, ARTA and development contributions currently being investigated which will offset some of the estimated project cost. These amounts have yet to be confirmed but are estimated to be between \$66,330,430 and \$78,330,430. Targeted rating is also being considered as a potential funding mechanism and work is being undertaken to assess its feasibility.
33. A contract for feasibility and design for ICT infrastructure has been awarded. However, funding for construction of ICT infrastructure is currently not included in the New Lynn budget and any further work will therefore require Committee approval and additional budget allocation. A separate report to obtain approval will be submitted in due course which will provide information on the holistic City wide approach, the benefits and funding options which include external subsidies. The ICT designer will work in conjunction with the roading designers and should the ICT component be approved, it would be incorporated into the roading construction processes to maximize efficiencies and minimize disruptions.

IMPLEMENTATION ISSUES

Project Risks

34. A risk identification workshop will be held in September 2008 and any significant risks will be included in future status reports.

Report prepared by: John Schermbrucker, Special Projects Manager and Sarah Johnstone, Consultant (This report is based on information provided by individual portfolio holders).



7 HENDERSON TOWN CENTRE - GREAT NORTH ROAD STREETSCAPE AND ROADING UPGRADE - CONSTRUCTION STATUS UPDATE JULY 2008

GLOSSARY

Henderson Primary School	(School)
Infrastructure and Works Committee	(Committee)
Ministry of Education	(Ministry)

EXECUTIVE SUMMARY

The purpose of this report is to update the Infrastructure and Works Committee (Committee) on progress of the Henderson Town Centre - Great North Road Streetscape and Roothing Upgrade project.

Roadwork and footpath reconstruction in zones A, B, C, F and G have been completed, and new light poles and street furniture are being installed. New kerbs have been installed in zones D and E and footpath work is in progress. The reconstruction of all speedtables is complete. Council officers are closely monitoring the contractor's progress against the contractor's amended works programme in order to minimise any further slippage.

The entry agreement to allow work to commence in zone H outside the Henderson Primary School (School) has been signed by the Chief Executive Officer and is expected to be executed soon by the Ministry of Education (Ministry). Due to the delays that have been experienced in obtaining the agreement, the work in zone H will be deferred to commence around mid-September 2008.

Continuing liaison with the public and businesses along the route of the works has been undertaken in the form of newsletters, drop-in visits to businesses and a meeting with the Henderson Business Association.

While the contractor has re-programmed the works to be completed by the end of July 2008, the contract completion date is 22 July 2008.

Expenditure against contract contingency to date is 36% of the contingency amount and 3.6% of the contract value. This is considered reasonable for a project of this scale.

RECOMMENDATION

It is recommended that Infrastructure and Works Committee resolve to:

Receive the Henderson Town Centre – Great North Road Streetscape and Roading Upgrade - Construction Status Update July 2008 report.

BACKGROUND

1. The construction status of the Great North Road Streetscape and Roading Upgrade project was last reported to the Committee on 2 July 2008. This report updates the construction status to late July 2008.

DECISION MAKING

Issues

Progress to date

- A1*
2. During the reporting period, work to zones B and C has been substantially completed, allowing the contractor to progress to zones D and E. New streetlights are currently being installed to zones where footpath work has been completed, and street furniture is also being installed. New trees have been planted in zones A, B, F and G and planting of annuals is to be carried out by Parks contractors. The construction zones are shown on attached page A1.
 3. Work is currently in progress to zones D and E. New kerbs have been installed in both zones and the speed table has been reconstructed in zone E. This reconstruction required the closure of the south (westbound) lane for a period of 10 days. The re-construction of the road crossing at Catherine Mall has been completed as part of the Zone D works, but without the need for a lane closure. Advance trenching and installation of new underground services has been completed in zone D, and footpath work is in progress. The reconfiguration of traffic signals and road crossings at the Ratanui Street/Railside Avenue intersection has been completed and final roadmarking is to be carried out.

4. The measures that have been taken by the contractor to improve production as outlined in the report to the Committee on 4 June 2008 have had the effect of bringing construction progress into closer alignment with the contractor's amended works programme. The status of construction for the various zones is summarised below:
- Zone A - footpath completed. New streetlights have been installed and the installation of street furniture is in progress.
 - Zone B - footpath completed. New streetlights and street furniture are being installed.
 - Zone C - footpath complete. New streetlights and street furniture are being installed.
 - Zone D - footpath work is in progress.
 - Zone E - footpath work nearing completion. New streetlights and street furniture to be installed.
 - Zone F - footpath completed. New streetlights and street furniture are being installed.
 - Zone G - footpath completed. New streetlights and street furniture are being installed.
 - Zone H - deferred to September 2008.
5. Meetings between Council officers, the consultant team and senior contractor personnel have taken place during the reporting period to minimise any further slippage against the works programme. The contractor has undertaken to seek any methods that can be employed to improve production rates. Production has improved during the reporting period and the quality of work in zones B, C, D and E has improved over the quality in zones A, F and G.

Procurement of Land from Ministry of Education

6. The entry agreement to enable work to commence on the land owned by the School has been returned by the Ministry to the Council with recommended amendments. The Chief Executive Officer has signed the agreement and it has been returned to the Ministry for execution.
7. As a result of the delays incurred in obtaining the entry agreement, the work outside the school in zone H has been deferred to commence in mid-September 2008.

Public Liaison

8. During the reporting period, liaison has continued between Council officers and business owners on Great North Road who are affected by the contract works. Letters from the Manager, Public Affairs updating businesses were delivered on 23 June and 8 July 2008. Ongoing liaison in the form of drop-in visits by Council officers to businesses has been taking place. In addition a further meeting has been held between Council officers and the Henderson Business Liaison Group to address any issues that businesses have with the contract works.

Diversion of Buses

9. The bus stop in zone B near the Oratia stream bridge was relocated to a temporary location west of Trading Place while work to the kerb and footpath in front of the dairy was under construction. Buses have now been relocated to the permanent bus stop. The re-installation of Adshel bus shelters is expected by mid August 2008. In the interim, Adshel have installed a temporary shelter at the permanent stop.

STRATEGIC CONTEXT

10. The project team are monitoring construction progress on an ongoing basis to ensure that the outcome remains in alignment with the Council's strategic platforms of: Urban and Rural Villages and Strong Communities.

RESOURCES

Timeline Status

11. The duration of the contract is 95 working days. Work commenced on 3 March 2008 and the contractual completion date is 22 July 2008. The contractor has provisionally indicated that an extension of time of two working days will be sought for additional work to zone G. The contractor has also submitted an extension of time claim of 23 working days for a number of items including, inter alia, delays to streetlight installations due to clashes with services, alterations to drainage, amendments to footpath levels. The claim is under review by the Engineer's representative, who has requested additional information so that the claim can be assessed against the critical path.
12. While the contract completion date is 22 July 2008, the contractor's updated programme shows completion of all works on 30 July 2008.
13. The work to zone H outside the school will commence in mid September 2008, with a duration of 37 working days.
14. The current contractual timeline status including provisional extensions of time to date is provided in Table 1 below:

TIMELINE STATUS			
Key contract dates / times	As at contract award 31 January 2008	Change	As at July 2008
Contract Commencement date	3 March 2008		3 March 2008
Contract Period: Roothing Upgrade (Separable portion 1) Streetscape Upgrade (Separable portion 2)	80 w days 95 w days	+2 w days +2 w days	82 w days 97 w days
Due Date for Practical Completion: Roothing Upgrade (Separable portion 1) Streetscape Upgrade (Separable portion 2)	27 June 2008 18 July 2008	+2 w days +2 w days	1 July 2008 22 July 2008

Table 1. Timeline Status

Financial Status

15. Contingency expenditure during the report period amounted to \$52,470. The more significant items contributing to this expenditure are reported below. It is noted that while the provisional costs of these items represent a worst-case scenario, the costs are subject to interrogation by the consultant, which may result in reduced cost at time of agreement.

- Supply and install Acco Drain \$5,085
- Extra surfacing behind bed shop at HVR \$3,613
- Variable message board hire \$3,281
- Additional settlement slabs at speed tables \$3,171
- Downtime to streetlight contractor \$2,301
- Speedtable 3 additional excavation \$2,432
- Modification to drainage at speedtable 2 \$4,199
- Dig out and replace crushed traffic signal duct \$2,321
- Remove current pole configuration, supply and
- Install camera extension \$1,640
- Landscaping near Jubilee bridge \$1,566

16. The combined outcome of ongoing value engineering and contingent expense to date has resulted in the cost of these variations being accommodated within the contract contingency sum, yielding a net expenditure to date, inclusive of these variation costs of 36% of the contingency sum. The current level of contingency expenditure amounts to 3.6% of the contract sum, which is within forecast limits for contingency expenditure at this stage of the contract. The current financial status of the contract is deemed to be in a healthy state.
17. A summary of the current financial status of the contract is given in Table 2 below:

FINANCIAL STATUS			
Contract Costs	As at contract award 31 January 2008	Change	As at July 2008
Tender Award Value. HEB Smithbridge Ltd	\$3,417,012	-	\$3,417,012
Contract variations to date (to be agreed)	-	\$123,535	\$123,535
Removal of Hanging Baskets from contract	-	(-\$251,299)	(-\$251,299)
Contract Contingency sum	\$341,701	(-\$123,535)	\$218,166
Total Construction Cost	\$3,758,713	(-\$251,299)	\$3,507,414

Table 2. Financial Status

Consideration of Community Views

18. Extensive consultation has taken place with community groups and organisations during the concept and developed design stages of the project. This consultation included public meetings and an open day held in March 2007. Ongoing liaison with business owners has been taking place during the course of the contract.

IMPLEMENTATION ISSUES

19. The contractor's performance is subject to ongoing monitoring and review by the consultant team members and Council officers. The project team members are in daily contact with the contractor as issues arise on the site. Implementation by the consultant and Council officers will be in terms of the conditions of contract between the Council and the contractor.
20. Ongoing emphasis is being placed on liaison with the public and business owners along the route of the works in order to minimise the impact of the works on normal commercial activity along Great North Road. Formal meetings with the Henderson Business Liaison Group take place at regular intervals to identify and address concerns.

Project Risks

21. The following issues are currently being managed to mitigate unfavourable impacts on the project outcome.
- High level meetings have been held with the contractor to address issues relating to poor performance on the earlier stages of the contract works. Measures as outlined in the report to the Committee on 4 June 2008 have been implemented by the contract team to minimise the impact on the completion of the project. As a result of these measures the contractor's production has improved, and there is an improvement in the quality of the works.
 - Complaints and concerns received from business owners and members of the public are followed up by Council officers as soon as they are received and, where applicable, the contractor is instructed to rectify unsatisfactory situations. Ongoing liaison with businesses in the form of letters and visits by Council officers has continued during the reporting period. In addition meetings are held with representatives of the business community on an ongoing basis.
 - Entry agreement with the Ministry. The agreement is now close to being signed by the Ministry in its amended form. This is expected to lead to further negotiations between the valuers for the Council and the Ministry and, if applicable, the appointment of a third, independent valuer as an arbitrator. While this will add some cost to the project (to be advised) this method of settlement is expected to be significantly quicker and less costly than acquisition in terms of the Public Works Act 1981.

Quality

22. Quality audits undertaken to date confirm that the contractor's general attitude to maintenance of quality construction practice on site is satisfactory. Quality issues are addressed on an ongoing basis by the project team, and any issues communicated to the contractor.

Report prepared by: Duncan Miller, Senior Engineer - Special Projects



8 **HENDERSON YOUTH FACILITY - CONSTRUCTION STATUS UPDATE JULY 2008**

GLOSSARY

Henderson Youth Facility	(Global Café)
Information Management project team office	(IM office)
Infrastructure and Works Committee	(Committee)
West Wave Recreation Centre	(Recreation Centre)

EXECUTIVE SUMMARY

The purpose of this report is to update the Infrastructure and Works Committee (Committee) on progress of the Henderson Youth Facility (Global Café) project.

Work to the Global Café and Information Management project team office (IM office) is almost complete. A practical completion certificate and minor defects list were issued by the engineer on 17 July 2008.

Detailed design for the landscape works has been completed and construction drawings have been issued to the contractor. The landscape works will be completed during the Zeal fitout period.

The remedial work to the Westwave Recreation Centre (Recreation Centre) ablutions hot water system has been completed.

The engineer has made a ruling on the contractor's claim for additional costs for air-conditioning, in the amount of \$52,687. The contractor has indicated that he does not agree with this ruling, and it is likely that he will pursue further costs. The contractor has been advised that liquidated damages for four days, due to late completion, will be deducted from the contract amount.

Expenditure against contract contingency to date is 99.2% of the contingency amount, and 9.9% of the contract value.

RECOMMENDATION:

It is recommended that the Infrastructure and Works Committee resolve to:

Receive the Henderson Youth Facility - Construction Status Update July 2008 report.

BACKGROUND

1. The construction status of the Global Café project was last reported to the Committee on 2 July 2008. This report updates construction status to late July 2008.

DECISION MAKING

Issues

Progress to date

2. Practical completion for the Global Café and IM office was achieved on 17 July 2008. A Practical Completion Certificate and minor defects list has been issued by the engineer. The practical completion includes the interior of both floor levels as well as the lift, stairs and accessways. The building has been occupied by Zeal and their fit-out has commenced.
3. The walkway canopy structure and roof along the western side of the Recreation Centre has been constructed. External painting of the Global Café, IM office and Recreation Centre has been completed

Landscape Design

4. Detailed design for the landscape works in front of the Global Café has been completed and construction drawings have been issued to the contractor. The landscape work will be carried out during the Zeal fit-out period and will be completed prior to the opening of the Global Café.

Hot Water Supply to the Recreation Centre Ablutions

5. The remedial work to the hot water system in the Recreation Centre ablutions has been completed. Stopping and painting of ceiling areas removed during the course of the works is expected to proceed during the week ending 25 July 2008.

Contractor's Claim for Additional Costs - Recreation Centre Air-conditioning

6. The engineer has made a ruling on the claim by the contractor for additional costs associated with the Recreation Centre air-conditioning in the amount of \$52,687. This is \$10,687 higher than the estimated value previously reported, and is due to the contractor having provided additional invoices to support the claim.

Options identified

Contractor's Claim for Additional Costs - Recreation Centre Air-conditioning

7. The contractor has indicated that he does not agree with the engineer's ruling on the claim. Options will be further considered upon receipt of the contractor's formal response.

STRATEGIC CONTEXT

8. Construction progress has been monitored during the report period to ensure the project outcome remains in alignment with the Council's strategic platforms of: Urban and Rural Villages and Strong Communities.

RESOURCES

Timeline Status

9. The practical completion date for the contract was 11 July 2008. Practical completion was achieved on 17 July 2008. The engineer has advised the contractor that liquidated damages for four working days will be deducted from the contractor's final claim.
10. The timeline status including provisional extensions of time to date is provided in Table 1 below:

TIMELINE STATUS			
Key contract dates / times	As at contract award 15 Oct 2007	Change	As at July 2008
Contract Commencement date	15 October 2007		15 October 2007
Contract Period:	126 w days		179 w days
<ul style="list-style-type: none"> • Global Cafe/IM office Extensions of Time:			
<ul style="list-style-type: none"> • Delayed consent issue at no cost • Asbestos removal • Foundation/structural clash redesign Due Date for Practical Completion:		21 w days 11 w days 21 w days	
<ul style="list-style-type: none"> • Global Cafe / IM office Actual date for Practical completion:	29 April 2008	53 w days	11 July 2008
<ul style="list-style-type: none"> • Global Café /IM office 	-	-	17 July 2008

Table 1. Timeline Status

Financial Status

11. While contingency expenditure during the reporting period amounted to \$37,489, additional value engineered savings were recorded, which resulted in a net increase in contingency expenditure of \$8,086. The more significant items contributing to this expenditure are reported below. It is noted that while the provisional costs of these items represent a worst-case scenario, they are subject to review, which may result in reduced cost at time of agreement.
- Additional cost of air conditioning claim over provisional sum \$10,687
 - Permanent drainage to Plunket room \$ 4,031
 - Foundation bridging detail over existing stormwater main \$12,040
 - Change to post positions plus extra posts for the walkway
 - canopy \$ 3,000
 - Exhaust fan to 3 phase switchroom \$ 2,000
12. The combined outcome of ongoing value engineering and contingent expense on the contract to date, result in the cost of these variations yielding net contingency expenditure to date inclusive of these variation costs, of 99.2% of the contingency sum. The current level of contingency expenditure amounts to 9.9% of the contract sum.
13. A summary of the current financial status of the construction contract is given in table 2 below:

FINANCIAL STATUS			
Project Costs	As at contract award 15 Oct 2007	Change	As at July 2008
Tender Award Value. Alliance Construction Ltd.	\$4,125,535		\$4,125,535
Provisional sum for landscape works	\$50,000		\$50,000
Provisional sum for re-roofing	\$308,000		\$308,000
Subtotal	\$4,483,535		\$4,483,535
Contract variations to date		\$588,252	\$588,252
Value engineering savings		(\$171,680)	(\$171,680)
Contract Contingency sum	\$420,000	(\$416,572)	\$3,428
Total Construction Cost	\$4,903,535	-	\$4,903,535

Table 2. Financial Status

IMPLEMENTATION ISSUES

Project Risks

14. The following issues are currently being managed to mitigate unfavourable impacts on the project outcome:
- The contractor has submitted a claim for \$92,441 for additional work to the Recreation Centre air-conditioning. The claim, which includes additional electrical work and changes to duct configurations, has been interrogated by the quantity surveyor and the engineer has made a ruling of \$52,687.

- Landscape in front of the Global Cafe: The landscape re-design has been finalised. The landscape construction will be completed during the fit-out period prior to the opening of the Global Café.
- The construction of the walkway and canopy on the west face of the Recreation Centre is complete. The landscaping is being managed to ensure completion during Zeal's fit-out period and prior to the opening of the Global Café.
- Hot water supply to the Recreation Centre ablutions: The remedial work has been completed. Stopping of panels and painting is in progress.

Quality

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

Report prepared by: Duncan Miller, Senior Engineer – Special Projects.



9 THE WAITAKERE STADIUM GRANDSTAND AND FLOODLIGHTS - STATUS JULY 2008

GLOSSARY

Waitakere City Stadium Trust	(Trust)
Waitakere Stadium Grandstand	(Grandstand)
Canam Construction Ltd	(Canam)

EXECUTIVE SUMMARY

On 30 June 2008 the Waitakere City Stadium Trust (Trust) agreed the final cost of the Waitakere Stadium Grandstand (Grandstand) construction contract with Canam Construction Ltd (Canam). The final contract sum was agreed at \$7,125,146 plus GST.

Subsequent to a public hearing on 12 June 2008, conditional resource consent was granted for the construction of a floodlighting system for the Douglas Track and Field.

The estimated cost of constructing the floodlighting system has increased by \$161,360 in comparison to the previous estimate produced in October 2007. This increase has been mainly attributed to a rise in the cost of raw materials.

In order to address the potential further increase in the cost of constructing the floodlighting the Trust is considering the advance purchase of the lighting columns and lighting heads.

RECOMMENDATION:

It is recommended that the Infrastructure and Works Committee resolve to:

Receive the Waitakere Stadium Grandstand and Floodlights - Status July 2008 report.

BACKGROUND

1. The status of the Grandstand and floodlights project was last reported to the Infrastructure and Works Committee on 4 June 2008. This report covers project progress to mid July 2008.

DECISION MAKING

Issues

Consent

2. Subsequent to the public hearing on 12 June 2008, the appointed Independent Commissioner has decided to grant conditional resource consent for the construction of the floodlighting system. One condition of the resource consent requires that the Trust must produce an approved mitigating planting plan within six months of the consent being granted. Tender invitations were issued to three landscape architectural firms on 14 July 2008 in order to obtain quotations for this work.

Construction Status

3. At the time of writing this report, Canam were progressing the completion of some minor works items. These minor works items do not affect the operation of the Grandstand.
4. Following the granting of resource consent, the detailed design of the floodlighting system and investigation of suitable procurement methodologies have commenced. The base cost of steel is expected to rise by as much as 25% before October 2008 and in light of this, consideration is being given to the advance purchase of the floodlighting columns and head frames. Currently two potential suppliers have been identified.

Fit-out

5. **Loose Furniture and Equipment** - At the time of writing this report, the Trust is seeking sources of funding for the non-essential furniture and equipment. In the meantime, loose furniture will either be brought in from the Trusts Stadium or hired on an as required basis.
6. **Kitchen Equipment Fit-out** - The source of the fault with the two fryer units in the northern kitchen has been traced to an imbalance in the electrical loading across the three phases of the power supply to the Grandstand. This fault has been rectified by Canam under the defects liability.

STRATEGIC CONTEXT

7. Progress has been monitored during the report period to ensure the project outcome remains in alignment with the Council's strategic platforms of: Urban and Rural Villages and Strong Communities.

RESOURCES

Timeline Status

8. A timeline of the key dates for the implementation of the floodlighting is given in Table 1 below:

TIME LINE STATUS			
Event/Stage	Original Programmed Date	Change	As at July 2008
Pre-hearing planning meeting	15 May 2008	-	15 May 2008
Public Pre-hearing meeting	19 May 2008	-	19 May 2008
Public Hearing	12 June 2008	-	12 June 2008
Granting of Resource Consent	Early-mid July 2008	-	Early July 2008
Completion of detailed design information (estimate)	Mid August 2008	30 Days	Mid September 2008
Submission of building consent application (estimate)	Mid August 2008	30 Days	Mid September 2008
Granting of building consent (estimate)	Early October 2008	30 Days	Early November 2008
Award of contract to construct floodlights (estimate)*	End October 2008	30 Days	End November 2008
Completion of floodlight construction (estimate)	Mid December 2008	45 Days	End January 2009
Project close-out and handover (estimate)	End December 2008	45 Days	Mid February 2008
End of defects liability period (estimate)	End December 2009	31 Days	End January 2010

* The date of award of the contract to construct the floodlights will also depend on the Trust being able to secure sufficient funding.

Table 1 – Timeline Status

Financial Status

9. A final contract sum for the construction of the Grandstand was agreed between the Trust and Canam on 30 June 2008. The sum agreed is \$7,125,146, this amount being \$21,329 beyond the original contract award sum. The additional cost resulted from reconciliation of the contract variations by the Quantity Surveyor and will be funded from contingency.
10. A revised cost estimate for the construction of the floodlighting was produced by Rawlinsons Quantity Surveyors on 20 June 2008. The revised estimated cost is \$1,016,458, which is an increase of \$161,360 compared to the previous estimate produced in October 2007. The majority of this increase has been attributed to a rise in the cost of raw materials such as steel.
11. At the time of writing this report the total budget available for this project through Council contributions and funds raised by the Trust is \$9,664,149. Based on the actual and estimated project costs provided in Table 2, the Trust needs to raise a further \$396,050 in order to complete the full scope of construction works and fit-out.
12. In addition to the cost of constructing the Grandstand and floodlighting, the Trust are also facing the potentially significant cost of funding the planting scheme to mitigate the visual impact of the floodlighting in order to comply with the conditions of the resource consent. The Trust has concerns regarding the ability to raise funds for this work as the sources of funding used to date do not accept bids for landscaping or non-construction items.
13. A summarised financial status for the project is provided in Table 2 below.

FINANCIAL STATUS			
PROJECT COSTS	Approved Budget January 2007	Change	As at July 2008
Construction Contract Award Value	\$7,104,087		\$7,104,087
Construction Contract Variations (incl. value savings)		\$21,329	\$21,329
Soft Landscape Contract Award Value	\$115,000	(-\$37,742)	\$77,258
Stadium Seating Contract award Value	\$270,000	(-\$10,481)	\$259,519
Loose Kitchen Equipment Contract		\$53,762	\$53,762
Data and Telecom Installation Contract		\$11,528	\$11,528
Stadium Signage Contract		\$14,530	\$14,530
Professional Fees and Disbursements (estimate)	\$1,305,000	\$11,880	\$1,316,880
Contingency Sum	\$535,864		
Reduction of contingency to \$200,000*		(-\$335,864)	
Reduction of contingency to \$50,000*		(-\$150,000)	
Contingency expenditure		(-\$21,329)	
Unspent contingency		(-\$28,671)	
Sub Total	\$9,329,951	(-\$471,058)	\$8,858,893
Floodlights (estimate) (Not including mitigation planting)	\$700,000	\$316,458	\$1,016,458
Sub Total (estimated)	\$10,029,951		\$9,875,351
EXTRA COSTS	Approved Budget January 2007	Change	As at July 2008
Relocation of existing trees		\$9,546	\$9,546
Project sign board		\$1,764	\$1,764
Master key locks		\$4,469	\$4,469
Naming sign		\$6,911	\$6,911
Additional mulch		\$200	\$200
Supply and install baby change table		\$628	\$628
Supply and install extra plaza bollards		\$2,162	\$2,162
No entry signage		\$578	\$578
Planting and grassing		\$5,240	\$5,240
FURNITURE FITTINGS AND EQUIPMENT (estimated)			
Function Room Loose Furniture <i>(Desirable)</i>			\$137,350
Vertical Blinds <i>(Desirable)</i>			\$13,900
Fitted Shelves, Lockers and Cash Boxes <i>(Desirable)</i>			\$2,100
Total to Complete (estimated)			\$10,060,199

Table 2 - Financial Status

* The reduction of Canam's contingency budget from \$535,864 to \$200,000 was approved by the Waitakere City Stadium Trust Board of Trustees in October 2007. The further reduction to \$50,000 has been advised by the project Quantity Surveyor on the basis that the contract final account was almost agreed. The funding that has been released by unspent contingency will be re-allocated to cover essential items and floodlight construction.

IMPLEMENTATION ISSUES

Project Risks

14. The following risks are currently being managed in order to mitigate unfavourable impacts on the project outcomes:
- (a) At the time of writing this report, the estimated cost of the floodlighting system is \$1,016,458 plus GST. In order to address the estimated budget shortfall, the Trust has resolved not to commit to a contract for the construction of the floodlights until sufficient funding has been secured.
 - (b) The cost of building materials, especially steel, is expected to rise significantly before October 2008. This development will directly affect the cost of constructing the floodlighting. In order to address this risk, the Trust are considering the advance purchase of the floodlight columns and lighting heads.
 - (c) The conditional resource consent that has been granted for the construction of the floodlighting requires the implementation of a mitigating planting scheme. Currently, no budget has been allocated for the cost of this work and the Trust has raised concerns regarding eligibility to bid for funding grants. Professional services are due to be engaged to determine the estimated cost of the planting scheme.
 - (d) Currently, there is no identified budget source for desirable loose furniture. This issue will be mitigated by the use of hired furniture for large events and the use of furniture from the Trusts Stadium in other instances. In the long term, the Trust aims to raise funding to purchase loose furniture for the Grandstand.

Quality

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

Report prepared by: Steve Burris, Senior Engineer Special Projects.



REPORTS FROM THE SUBCOMMITTEE

10 TOWN CENTRES SUBCOMMITTEE

THE SUBCOMMITTEE SUBMITS THE FOLLOWING REPORT OF ITS MEETING HELD ON MONDAY, 14 JULY 2008.

MATTERS CONSIDERED

A2-A5

The Subcommittee dealt with a number of items for which it has delegated powers to act and a copy of the minutes of the meeting is attached at pages A2 to A5.

The Subcommittee Recommends:

That the meeting report of the Town Centres Subcommittee held on Monday, 14 July 2008 be received.

DQ Battersby, JP
CHAIRMAN

