

24. 11. 2011

9. ARANUI LIBRARY PROJECT



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PURPOSE OF REPORT

1. To seek approval for a budget increase of \$797,388 for the construction of Aranui Library as a result of post-earthquake cost increases.

EXECUTIVE SUMMARY

2. The contract was awarded to Hawkins Construction on 17 December 2010. The expected construction time was 30-weeks, with an opening scheduled for Spring 2011.
3. On site construction was due to start in March 2011, however, the major earthquake in February and the subsequent aftershock sequence have delayed the project by approximately eight months.
4. Authorisation to recommence the project was given on 19 April 2011. This followed a blanket hold period for all capital projects after the 22 February event. The redesign phase was immediately initiated and a geological engineering evaluation was commissioned.
5. The geotech report strongly recommended that the Aranui Library be constructed on a base reinforced gravel raft foundation or better. Options were reviewed and agreement was made to move forward with a raft and waffle slab foundation. This involves constructing a compacted gravel raft with one metre of imported granular fill under the building. It includes base reinforcing (with a geo-grid) to give additional strength and to reduce the risk of liquefaction penetrating the floor slab. A waffle floor slab will also be incorporated to further stiffen the foundation system.
6. The redesign incorporated ensuring the building would meet the new code requirements, hazard rating ("z") from 0.22 to 0.3. The change in z rating is a change in the application of the Building Code which has been done through the regulatory authority as directed.
7. Structural and architectural drawings have been updated and an amendment to the building consent was issued on 30 September 2011.
8. A revised contract price has been provided from the contractor Hawkins Construction. The new contract value is \$3,090,744, an increase of \$693,739.
9. The total Project cost is now \$4,571,629. This correlates to an increased project budget of \$797,388. This figure is inclusive of professional fee's (Council), consultant costs and an increased project contingency.

FINANCIAL IMPLICATIONS

10. The figure of \$797,388, is a worst case financial evaluation. Contractual negotiations are underway with Hawkins to finalise the contract price.
11. The recommendation to fund the increased budget through additional borrowing is consistent with the Council's Revenue and Financing policy for new capital assets.
12. The majority of this increased cost relates to the redesign and construction of improved building foundations but it also includes materials and labour price increases as a result of the delayed start to construction.

Do the Recommendations of this Report Align with 2009-19 LTCCP budgets?

13. The 2009-19 LTCCP had included project funding of \$775k in 2009/10 and \$2.324M in 2010/11.

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LEGAL CONSIDERATIONS

14. Nil identified.

Have you considered the legal implications of the issue under consideration?

15. As above.

ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS

16. The Aranui Library project is included in the 2009-19 LTCCP as LTCCP project number 163.

Do the recommendations of this report support a level of service or project in the 2009-19 LTCCP?

17. The recommendations support a project in the 2009-19 LTCCP.

ALIGNMENT WITH STRATEGIES

18. The Libraries 2025 Facilities Plan identified and prioritised the need for a new neighbourhood library facility in Aranui. Community studies, agencies, statistical and demographic information have also indicated the need in the Aranui area for a library facility.

Do the recommendations align with the Council's strategies?

19. The construction of a library facility within the Aranui neighbourhood was identified as filling a gap in the current library services and was prioritised as a result of the high need and high deprivation in the community in that area.

CONSULTATION FULFILMENT

20. The community has been consulted extensively, initially as part of LTCCP and the development of the Libraries 2025 Facilities Plan and more recently throughout the initial design phase where the community has had input into building design and service development.

STAFF RECOMMENDATION

It is recommended that the Council:

21. Approve an increase in total project budget from \$3,774,241 to \$4,571,629 (an increase of \$797,388) through increased borrowings.