



NOTICE OF MEETING

**Notice is hereby given of the Meeting of the
Infrastructural Services Committee
to be held in the Council Chamber,
First Floor, Civic Administration Building,
101 Esk Street, Invercargill on
Monday 16 November 2020 at 3.00 pm**

Cr I R Pottinger (Chair)
Cr A H Crackett (Deputy Chair)
Sir T R Shadbolt, KNZM JP
Cr R L Abbott
Cr R R Amundsen
Cr A J Arnold
Cr W S Clark
Cr P W Kett
Cr G D Lewis
Cr D J Ludlow
Cr N D Skelt
Cr L F Soper

CLARE HADLEY
CHIEF EXECUTIVE

A G E N D A

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2. **APOLOGIES**

3. **PUBLIC FORUM**

4. **INTEREST REGISTER**
A2279220

5. **CIVIC ADMINISTRATION BUILDING – DEFERRED MAINTENANCE AND REFURBISHMENT - ISSUES AND OPTIONS**
A3212844

6. **URGENT BUSINESS**

7. **PUBLIC EXCLUDED SESSION**

Moved, seconded that the public be excluded from the following parts of the proceedings of this meeting; namely

- (a) *Housing Care Activity.*
- (b) *Rugby Park Stadium – Outstanding Advice on Potential Transfer of Ownership.*

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each 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 each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
(a) Housing Care Activity	Section 7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	Section 48(1)(a) That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7

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| (b) | Rugby Park Stadium – Outstanding Advice on Potential Transfer of Ownership. | Section 7(2)(i)
Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) | Section 48(1)(a)
That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7 |
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**INVERCARGILL CITY COUNCIL ELECTED MEMBERS
INTEREST REGISTER**

A2279220

ELECTED MEMBERS			
NAME	ENTITY	INTERESTS	PROPERTY
RONALD LINDSAY ABBOTT	Invercargill City Council Kiwi-Pie Radio 88FM Invercargill	Councillor Director / Broadcaster	
REBECCA RAE AMUNDSEN	Invercargill City Council Arch Draught Ltd BP Orr Ltd Task Ltd Arts Murihiku Dan Davin Literary Foundation Heritage South Glengarry Community Action Group SMAG Board	Councillor Director Director Director Trustee Trustee/Chair Contractor Events Co-ordinator (Volunteer) Council Representative	

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ALLAN JAMES ARNOLD	Invercargill City Council Ziff's Café Bar Ltd Buster Crabb Ltd Ziff's HR Ltd Ziff's Trust Southland Aero Club Invercargill Club Invercargill East Rotary	Councillor Executive Director Executive Director Executive Director Trustee Administrator Member Member Member	
WILLIAM STUART CLARK	Invercargill City Council Invercargill Ratepayers Advocacy Group	Councillor Member	
ALEX HOLLY CRACKETT	Invercargill City Council Sport Southland McIntyre Dick Zone 6 - National LGNZ Young Elected Members Committee	Councillor Trustee Marketing Manager Representative	High Street Invercargill

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PETER WARREN KETT	Invercargill City Council Age Concern Southland Kite Investments Limited Invercargill Harness Racing Club Board Member Ascot Consortium	Councillor Board Member Director Vice President and Life Member Member	
GRAHAM DAVID LEWIS	Invercargill City Council Bluff 2024 Rejuvenation Hospice Southland City Centre Heritage Steering Group Southland Regional Heritage Trust	Councillor Officer Trustee Member Member	
DARREN JAMES LUDLOW	Invercargill City Council Radio Southland Healthy Families Invercargill Murihiku Maori Wardens Southland Community Law Centre Thrive Community Trust Environment Southland	Councillor Manager Board Member Board Member Board Member Trustee Lyndal Ludlow (wife) – Councillor	770 Queens Drive Invercargill

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IAN REAY POTTINGER	Invercargill City Council Southland Electronics Limited Santa Parade Organiser	Councillor Director Alice Pottinger (Wife)	171 Terrace Street Invercargill 9810
TIMOTHY RICHARD SHADBOLT	Invercargill City Council Kiwi Speakers Limited SIT Ambassador	Mayor Director Member	
NIGEL DEAN SKELT	Invercargill City Council Badminton New Zealand Badminton Oceania Badminton World Federation ILT Stadium Southland Judicial Control Authority NZ Racing	Councillor Board Member Vice President Council Member (Chair of Communications and Media) General Manager Member	

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LESLEY FRANCES SOPER	Invercargill City Council	Councillor	137 Morton Street
	Breathing Space Southland Trust (Emergency Housing)	Chair	Strathern
	Omaui Tracks Trust	Director	Invercargill
	National Council of Women (NCW)	Secretary / Treasurer	24 Margaret Street
	Citizens Advice Bureau	Member	Glengarry
	Southland ACC Advocacy Trust	Board Member	Invercargill
	Southern District Health Board	Employee	
	Southland Warm Homes Trust	Member	
	Southland Food Rescue Trust	Member	

**INVERCARGILL CITY COUNCIL ELECTED MEMBERS
INTEREST REGISTER**

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EXECUTIVE STAFF			
NAME	ENTITY	INTERESTS	PROPERTY
CLARE HADLEY	Invercargill City Council Hadley Family Trust	Chief Executive Trustee	
DAVID FOSTER	Invercargill City Council Foster and Associates Ltd	Interim Group Manager - Finance and Assurance Executive Director	
DARREN EDWARDS	Invercargill City Council	Group Manager - Environmental and Planning Services	
MICHAEL DAY	Invercargill City Council	Group Manager - Finance and Assurance	
STEVE GIBLING	Invercargill City Council	Group Manager - Leisure and Recreation	
ERIN MOOGAN	Invercargill City Council	Group Manager – Infrastructural Services	
JANE PARFITT	Invercargill City Council Dementia Canterbury Charitable Trust	Interim Group Manager – Infrastructural Services Board Member	
PETER THOMPSON	Invercargill City Council	Executive Manager - Office of the Chief Executive	

TO: INFRASTRUCTURAL SERVICES COMMITTEE
FROM: PAUL HORNER – PROPERTY MANAGER
MEETING DATE: MONDAY 16 NOVEMBER 2020

**CIVIC ADMINISTRATION BUILDING – DEFERRED MAINTENANCE AND
REFURBISHMENT - ISSUES AND OPTIONS**

SUMMARY

The Administration Building is overdue for renewal and replacement of components of the building. It also needs to be improved by refurbishment of the work space to provide a safe, flexible, efficient and comfortable work environment. A concept design has been developed for refurbishment of the building with options for programming of work and accommodation of staff while the work is carried out.

Two options are provided for scheduling of the work. Option One requires floor by floor refurbishment with partial relocation of staff off-site and is the recommended option. Option Two is for the whole building to be refurbished at one time but it requires relocation of all Council staff and operations from the building during the construction period.

RECOMMENDATIONS

That the Committee:

- 1. Receive the report “Administration Building – Deferred Maintenance and Refurbishment Issues and Options”; and**
- 2. Note that maintenance has been deferred over the last decade while relocation options were considered. This now exacerbates the need for maintenance and refurbishment; and**
- 3. Confirm a staged approach to work being undertaken is appropriate; and**
- 4. Nominate two elected members to participate in a Project Control Group to oversee the project; and**
- 5. Note that in any event seismic ties need to be progressed as soon as reasonably practicable; and**
- 6. Refer the Committee’s preferences to the Performance, Policy and Partnerships Committee for final determination within the context of all Council’s strategic projects and the capital funding available to Council within the LTP.**

IMPLICATIONS

1.	<i>Has this been provided for in the Long Term Plan/Annual Plan?</i> Funding provision was made through the 2018 LTP
2.	<i>Is a budget amendment required?</i> No, will be included 2021 LTP
3.	<i>Is this matter significant in terms of Council's Policy on Significance?</i> No
4.	<i>Implications in terms of other Council Strategic Documents or Council Policy?</i> No implication
5.	<i>Have the views of affected or interested persons been obtained and is any further public consultation required?</i> No

FINANCIAL IMPLICATIONS

This project was provided for in the current Long Term Plan at \$5.7 million over three years.

An application for "Shovel Ready" funding of \$5 million was made but was unsuccessful.

The recent concept design report estimates that costs are circa \$13.5 million. A total budget of \$15 million is recommended for the project. This includes an allowance for contingencies of \$2.15 million which is 15% of the estimated cost.

BACKGROUND

The Administration Building is 50 years old and is seriously overdue for renewal and replacement of components. With some 150 staff working in the building there is also a need to ensure we meet current building requirements. Since 2011 a range of reports have been commissioned which include:

- Building exterior upgrading and paintwork (failed paintwork, leaking window frames)
- Exterior glazing (install double glazing for energy conservation and silencing)
- Seismic analysis (ensure the building remains intact for safe egress of staff)
- Replacement of the passenger lifts (renew cars and controls)
- Replacement of the HVAC system (provide comfort and climate control in the work space)

Progressing these building renewals and improvements at the time of reports was put on hold because of proposals for the central city. An Accommodation Strategy Paper was prepared in January 2019 which presented two strategic accommodation options:

- Option A – refurbish Ground, 3rd and part of 5th floors in the current Civic Administration Building at \$8.304 million.
- Option B – develop a new building within the Central Block at \$21.1 million.

Option A was chosen by Council on 29 January 2019.

Other work has also become necessary and added to the project brief because of increasing building standard requirements:

- Fire alarm system upgrade (upgrade to current requirements)
- New main switchboard (upgrade to current requirements and renew equipment)
- Fifth floor roof replacement (renew cladding at end of life)
- Separation of the Civic Theatre foyer heating (provide a hot water heating system; a consequence of changing the Administration Building heating system)

The Chief Executive was tasked with providing a project plan for the refurbishment of the Civic Centre as part of her focus for the year. This report responds to that requirement.

The report covers concept design and refines the original budget. The next stage – Detailed Design – will enable the budget to be further refined prior to tenders being requested.

PROJECT DESIGN TEAM

To carry out the investigation and planning work a project manager, Signal Management, was engaged to manage the project. They assembled a team of consultants who have completed the design and cost estimation work.

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|----------------------------------|------------------------|
| • Beattie McDowell Architects | Project Architect |
| • Stevenson Brown | Structural Engineer |
| • Batchelar McDougall Consulting | Structural Peer Review |
| • Cosgroves | Mechanical Engineer |
| • Cosgroves | Fire Engineer |
| • Rawlinsons | Quantity Surveyor |
| • Otis Elevators | Lift Replacement |
| • Complete Asbestos Solutions | Asbestos Removal |
| • Contego Systems | Passive Fire |
| • Tansley Electrical | Main Switchboard |

PROJECT DESIGN

The Civic Administration Building houses the Council Chambers and Committee Room, and provides the “front door” of Council.

The proposal is to renew components of the building as described and to upgrade the floors to open plan floor layouts. This will provide more efficient accommodation for Council staff with a centrally managed climate control system. The floor layouts will enhance productivity, increase flexibility and reduce environmental impact.

It will also address health and safety considerations.

PROJECT SCOPE

The project scope includes:

- Replacement of exterior glazing with double glazing
- Upgrading of all floors to open plan layout except for the first floor which will remain as at present
- Installation of seismic ties between the floors and the stairwell

- Replacement of the heating system with a centrally controlled heating, ventilation and air conditioning (HVAC) system
- Modernisation of the lifts
- Exterior repainting and reroofing
- Replacement of systems for fire alarm, electrical distribution, passive fire
- Installation of a hot water heating system in the Civic Theatre (a consequence of changing the Administration system from hot water heating to HVAC)

SEPARABLE PORTIONS OF THE SCOPE

Some parts of the scope may be installed without effect on other systems of the building. Some are disruptive to the circulation or operation of staff within the building. Some have interdependencies between services in the working space and must be programmed together.

The separable portions are:

- Replacement of the lifts (some effect on operations)
- Exterior repainting and reroofing (no effect on operations)
- Separation of the Civic Theatre heating system (no effect on operations)
- Installation of seismic ties (large effect on operations)

The work which should be carried out simultaneously is:

- Replacement of exterior glazing
- Replacement of the HVAC system
- Replacement of fire alarm, electrical distribution, passive fire
- Upgrading of floors

CONSTRUCTION STAGING

Option One

- To carry out the work with minimal removal of staff from the floors of the Administration Building. The intention is to maintain building operations and complete the refurbishment works from the top down on a floor by floor basis (the staff located on each floor would be decanted to another space off-site).
- Overall construction timeframe would be in the order of 24 months.

Option Two

- To vacate the entire building for a shorter construction period. This has several benefits including management of health and safety, economies of scale, and reduction of time and cost.
- The downside is rehousing nearly 150 staff for the construction period and relocation of council's community interface for services provided at 101 Esk Street, causing community disruption (payment of rates, licences, building consents, etc).
- Overall construction timeframe would be in the order of 12 months.
- There is a cost saving with Option Two estimated at \$200,000.

PROJECT RISKS

Risks have been identified and categorized in terms of their likelihood of occurrence and significance if they were to occur.

There are two 'High' risk items currently identified:

- **Project Budget (1)** – There has been limited consultation with key stakeholders and users during the concept design phase. Close management of the scope will be required during the subsequent design phases.
- **Project Budget (2)** – Construction market cost increases from an overheated local market and any changes in general economy which may affect resourcing, labour rates and material costs.

OFF-SITE ACCOMMODATION

To carry out the work, staff will need to be decanted to off-site space. Depending on the option chosen, the off-site space required will be either about 400m² for 40 staff for Option One or 1,000m² for about 100 staff for Option Two with up to 50 staff working from home.

SEISMIC TIES

This part of the proposal involves installing steel plates to the underside of the floors of the office part of the building which extend into the stairwell part of the building. This is done at all five levels. The building is currently rated as 100%NBS. However it is recommended that seismic ties be installed to increase the building's capacity to greater than 100% and increase its resilience. This will ensure that the building remains standing without significant risk to the life safety of occupants and minimise damage so that the building may be used as a centre for Council's operations following a major event.

ENERGY EFFICIENCY

The proposed HVAC system and double glazing installation will provide significant energy cost savings for the building operation.

LOCAL ECONOMIC EFFECTS

This project will provide work for local trades contractors such as builders, electricians, plumbers, painters and HVAC installers as well as local supply of furnishings, office furniture and building materials. This will achieve a similar local economic benefit to Central Government's "Shovel Ready" projects.

STRATEGIC PROJECTS

Use of funds for refurbishment of the Administration Building will have an effect on the funds available for Strategic Projects. Funding provision of \$5.7M was made in the 2018 LTP. That provision was removed when the opening debt balance was adjusted to exclude carry forwards, however the Council still has capacity within its debt ceiling to fund the work.

PROJECT OVERSIGHT

It is intended that a Project Control Group will be convened to oversee this project. It is recommended that the PCG include two Councillors and be chaired by the Infrastructural Services Group Manager.

CONCLUSION

Maintenance and refurbishment of the Civic Administration Building is well overdue. In addition there are health and safety issues that as an employer Council needs to address.

A concept design has been developed for refurbishment of the Civic Administration Building. This addresses overdue renewal and replacement of components of the building and refurbishes the work space to provide a flexible, efficient and comfortable work environment.

Options have been provided for programming of the work so that Council staff will be accommodated in alternative space while construction work is carried out.

Approaching the work on a floor by floor basis is the preferred option. This is because of its reduced disruption to the community, it enables Council services to continue to be provided at 101 Esk Street and staff will be less disrupted because of the staggered relocation to temporary office space.