

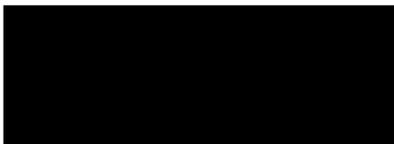


Ref: [REDACTED]

Civic House, 110 Trafalgar Street
PO Box 645, Nelson 7040, New Zealand

27 July 2022

P (03) 546 0200
E LGOIMA@ncc.govt.nz
nelson.govt.nz



Dear [REDACTED]

**OFFICIAL INFORMATION REQUEST FOR COMMUNICATIONS OR DOCUMENTS
REGARDING CIVIC HOUSE CEILING TILES**

I refer to the remaining part of your official information request dated 25 May 2022, originally for 'any internal communications or documents regarding the remediation work on the ceiling tiles...'. Following consultation with you, this was refined to 'Any internal communications or documents regarding the remediation work on the ceiling tiles from the calendar year 2021'.

As advised to you on 6 July 2022, we confirmed a broad search carried out by IT staff of e-mail archives using the agreed search keywords 'ceiling tiles' and 'remediation work' did not produce any results. It was then necessary to carry out a more targeted search of our records and the statutory deadline for our response was extended to facilitate this.

This targeted review has identified a project file entitled "1217 - Civic House Ceiling Tiles" which is most likely to contain the information falling within scope of your revised request. However, this file alone contains many documents and approximately 300 e-mails. The time required to retrieve, collate and research this material to identify whether the contents fit within scope of the request is excessive and would unreasonably impact on our other operations. Since the pressure on our existing resources is unlikely to change in the near future, carrying out this work would remain difficult for some time. Furthermore, raising a charge for staff time involved would not change the position. Consequently, we are refusing your request on administrative grounds under section [17(f) of the Local Government Official Information and Meetings Act (LGOIMA).

While we cannot meet your exact request, we are able to release to you a report to our Senior Leadership Team (SLT), dated 4 April 2022, prepared by our Manager Property Services together with an extract from the minutes of that meeting. This is on the basis we believe the report represents key issues pulled together from documents/e-mails on the subject of ceiling tiles contained in the project file mentioned above.

Please note that the report to SLT references an attachment of the Alexander Merino report which was released to you in our earlier response on 23 June 2022, however it was not attached to the report at the time that SLT considered it.

Internal Document ID: [REDACTED]

It may interest you that there is a public report to be considered by the Audit, Risk and Finance Subcommittee on 9 August 2022 which presents the findings of the review into the events leading to issue of Civic House Earthquake Prone Building notices.

You have the right to seek an investigation and review by the Ombudsman of this decision. Information about how to make a complaint is available at www.ombudsman.parliament.nz or freephone 0800 802 602.

If you wish to discuss this decision with us, please feel free to contact Rebecca Van Orden at (03) 546 0200.

Yours sincerely



Rebecca Van Orden
Manager Property Services

Encl: SLT Report April 2022 and Minutes_redacted.pdf

To: Senior Leadership Team
From: Rebecca Van Orden
Date: 4 April 2022
SUBJECT: CIVIC HOUSE – EARTHQUAKE PRONE CEILING TILES

Introduction

1. The Civic House earthquake prone ceiling tiles discussion has been considered a number of times by SLT, with reports being presented in January 2020 (A2330036), June 2020 (A2335931) and August 2020 (A2703720).
2. Work was completed in 2021 to install suspension wires to the grid support in heavy tile areas of 2-way suspended ceiling grid, and traklok braces to glazed partitions.
3. A construction review of the ceiling suspension upgrades carried out on Levels 1-4 of Civic House Tower Block was completed in July 2021.
4. It was expected that this evidence would verify sufficient works had been completed, however an engineering assessment was required to satisfy the conditions, resulting in the Tower Block being addressed as required by Council's Building Unit.

Discussion

5. In July 2021, Council's Building Unit approved a time extension for the supply of an engineering assessment for the Civic House Tower Block and Savings Bank Building Ceilings and conditionally granted the extension to 8 September 2022 (A2703720). This extension however required the following conditions be met by 8 September 2021; the following is taken from that letter and conveys the conditions:
 1. We are advised that all the subject ceilings in the Civic House Tower Block (levels 1 to 4, 6) have been inspected and bracing systems upgraded where deemed appropriate. This work is regarded as interim strengthening in anticipation of future fully compliant work. No likely hazard was identified on the ground floor and level 5 when originally notified on 8 September 2020. We understand documentation to verify this is being prepared.
 2. This leaves the Civic House Savings Bank ground, level 1 (possibly) and level 2A not yet addressed.
 3. Our assessment is that subject to the assumptions above, 60-70 % of the potentially earthquake prone ceilings will be able to be verified as earthquake prone or not, on receipt of documentation. The hazard is anticipated to have been proportionately greater in the taller building, so the greater risk could be considered as having been addressed first.
 4. An engineer has been engaged, subject to Council processes, to carry out a comprehensive engineering assessment of the building(s) including the ceilings. The building owner does not expect to be able provide an engineering assessment by the due date, because of the logistics involved in taking action to reduce the hazard in a

timely fashion while coordinating a full assessment of the building prior to considering installation of fully compliant ceiling systems.

6. An engineering assessment of the Civic House Ceiling and Interior Systems was completed on 13 September 2021 by Alexander Merino. The scope of this report was to identify potential upgrades to areas which were previously identified as having low enough compliance with New Building Standards to pose a significant risk to life safety in line with the Earthquake Prone Buildings regulations.
7. Council staff were required to provide this engineering assessment to Council's Building Unit, which has resulted in the imminent delivery of an Earthquake Prone (EQP) Building Notice being served which Council will be required to display at the entrance to either the building as a whole, or to specific parts of the building which have been deemed to be earthquake prone.
8. The primary goal of the high-level report was to assist identification of interim solutions or minor upgrades that could be carried out prior to ceiling removal as part of the Civic House Refurbishment project to bring average compliance about 34% NBS and to avoid an EQP building notice.
9. It was recommended in the report that due to the poor compliance level and age of the fitout, that the building is refitted, and all non-structural building elements are replaced. The low compliance level of the existing non-structural building elements poses a significant risk to life safety of building occupants in an Ultimate Limit State (ULS) seismic event.
10. Due to the very low %NBS scores of many of the ceiling systems, and the fact that all partial height partitions and glazing are fixed directly to the ceilings, a large amount of work would be required to a number of different areas and ceiling systems in order to achieve any meaningful improvement in %NBS scores.

Option One – Deliver the recommendations of the Alexander Merino report

11. A quote was received to which covered the following main work items:
 1. Tile Replacement with lightweight ceiling tiles
 2. Ceiling grid replacement and
 3. Ceiling bracing
12. The project budget summary form below shows two prices for the work items above. The difference in prices is whether the work is completed within working hours (\$1,882,000) or outside of working hours (\$2,324,000). The budget available for this project is \$215,000, resulting in a short fall of either \$1,667,000 or \$2,109,000 depending on when the work was completed.

PROJECT BUDGET SUMMARY FORM

4044

Civic House Ceiling Tiles

	Date: 11/3/22	Date: 11/3/22	Date:
	PRICING FOR WITHIN WORKING HOURS	PRICING FOR OUTSIDE WORKING HOURS	POST PRICING REVIEW
TENDER PRICE			
Ceiling tile replacement with lightweight tiles including ceiling grid replacement and ceiling bracing	\$ 943,077.25	\$ 943,077.25	
Additional cost to perform outside working hours		\$ 340,395.00	
Provisional Sum for Electrical Services	\$ 195,500.00	\$ 195,500.00	\$ -
Provisional Sum for Fire Protection	\$ 50,600.00	\$ 50,600.00	
Contract Management	\$ 81,300.00	\$ 81,300.00	\$ -
Construction Costs (Sub Total)	\$ 1,270,477.25	\$ 1,610,872.25	\$ -
Contingency (Specify % e.g. 5) 30%	\$ 381,143.18	\$ 483,261.68	\$ -
TENDER PRICE (Sub-Total)	\$ 1,651,620.43	\$ 2,094,133.93	\$ -
OTHER COSTS			
Professional Fees (QS for Peer Review)	\$ 5,000.00	\$ 5,000.00	\$ -
Committed cost on existing contract	\$ 12,700.00	\$ 12,700.00	\$ -
Spent to date	\$ 32,306.00	\$ 32,306.00	\$ -
Allowance for post work certification by chartered engineer	\$ 20,000.00	\$ 20,000.00	\$ -
Allowance for possible additional building service requirements such as seismic restraint to HVAC equipment and other services	\$ 150,000.00	\$ 150,000.00	\$ -
Allowance for building work exempt from building consent	\$ 10,000.00	\$ 10,000.00	\$ -
OTHER COSTS (Sub-Total)	\$ 230,006.00	\$ 230,006.00	\$ -
TOTAL	\$ 1,881,626.43	\$ 2,324,139.93	\$ -
BUDGET - 2021/22	\$ 214,716.00	\$ 214,716.00	\$ -
(indicate budgets from different components separately)			
OVER BUDGET	-\$ 1,666,910.43	-\$ 2,109,423.93	\$ -

13. At a strategic session held by SLT on 9 March 2022 for the Civic House refurbishment project, the item of Ceiling Tiles was discussed. At the meeting the best information that we had available gave the figures of \$815,000 or \$1,035,000 instead of the figures in paragraph 12 above. Those estimates provided for pricing as at September 2021. It was considered that the figures gave enough accuracy to determine whether there was a desire to complete a full replacement at a high price. However, supply issues and a more complete scope has arrived at the figures given in paragraph 12. The outcome of the SLT workshop was that the difference between delivering all the recommendations of the Alexander Merino report (option one), and to do only the priority areas (option two below) was not significant and that Option one would be preferred on that basis. The revision in pricing for option one however is likely to change the basis of that point of view. For this reason, this memo was delayed, enabling further discussion at a later SLT meeting.
14. It was queried whether any of the work items on their own could achieve 34%NBS, however all items in Option One are required to be completed as they are interconnected systems.
15. Replacing tiles in the 2-way grid ceilings without separating and independently bracing the partial height partition walls would not achieve the desired result, as the partition seismic loads on the ceiling will still result in a score below 34%NBS in these areas. Ceiling grid replacement is required to be carried out in areas which have 1-way grid, as there is not a viable upgrade path to achieve 34%NBS compliance for 1-way ceiling grids.

16. Even if only areas directly over egress corridors were replaced as per WSP's previous recommendations, the weighted average compliance of the ceiling would likely be below 34%NBS and areas of the building would be subject to an EQP building notice.

Option Two – Risk priority areas remediated

17. Due to the budget shortfall for the most comprehensive remediation, and on the understanding that any budget used would be sacrificial due to the light weight ceiling tiles being unlikely to be reused for the Civic House Refurbishment project, Officers have considered whether there would be a level of risk that Council is able to accept, with risk priorities identified and remediated.
18. An assessment of a minimum level of requirement was undertaken by the Health Safety and Wellness Adviser and Manager Property Services. The assessment considered where egress routes would need to be preserved, large open spaces with no structures to shelter within or under, and easy-win locations where minimal work could result in an area being removed from an EQP building notice. Open areas where staff have the safety of their desks to shelter during an earthquake are not proposed to be remediated under this option.
19. These areas were then considered, and priced by the same contractor as for option one, with the price for option two including:
1. Provisional sums allowed for Electrical Services and Fire protection works
 2. Scope of works and duration for each floor as noted on scope of works (see below)
 3. Partial Site supervision allowed (4 hours per day) in the pricing
20. The project budget below shows the estimated cost for this work is \$520,000. With the allocated budget of \$215,000, there is a budget short fall of \$305,000.

Item	Cost
Tile Replacement for Risk Priorities	\$325,650
Allowance for QS certification (Contingency added at the end of 25%)	\$5,000
Market fluctuation - 15%	\$48,848
Contingency (25%)	\$94,874
Work done this financial year	\$32,306
Committed work this financial year	\$12,700
Total estimated cost	\$519,378
Current Budget - 2021/22	\$ 214,718
Possible additional funding request	\$ 304,660

Scope of Works for Option Two

21. The following table shows the scope of works for the risk priorities.

CIVIC HOUSE CEILING-TILE REPLACEMENT		CEILING WORKS	PC SUM	PC SUM	TOTAL	DURATION
			Electrical Services	Fire Protection		
1.1	Contract Management and Helath & Safety	\$ 2,000.00			\$ 2,000.00	
1.2	Enabling works-(moving furniture ect)	\$ 11,400.00			\$ 11,400.00	
1.3	Project Management	\$ 19,950.00			\$ 19,950.00	
1.4	Work Programme	\$ 720.00			\$ 720.00	
GROUND FLOOR						2-3 weeks
1.5	Rear Corridor	\$ 6,826.40	\$ 3,250.00	\$ 1,300.00	\$ 11,376.40	
1.6	Egress Route past Workshop/Lab	\$ 8,692.85	\$ 5,590.00	\$ 1,300.00	\$ 15,582.85	
1.7	CSC Back Office	\$ 3,496.00	\$ 1,430.00	\$ 520.00	\$ 5,446.00	
1.8	Record Office	\$ 13,350.35	\$ 5,850.00	\$ 2,600.00	\$ 21,800.35	
FIRST FLOOR						1-2 weeks
1.9	Tower (Finance & Phone room)	\$ 7,477.30	\$ 6,500.00	\$ 1,950.00	\$ 15,927.30	
1.10	Corridors	\$ 16,132.20	\$ 7,150.00	\$ 2,600.00	\$ 25,882.20	
SECOND FLOOR						3-4 weeks
1.11	Foyer & Councilor Room, Stairwell & Toilet area	\$ 32,532.35	\$ 10,400.00	\$ 3,250.00	\$ 46,182.35	
1.12	Rumu Waimarama	\$ 13,205.45	\$ 4,550.00	\$ 1,560.00	\$ 19,315.45	
1.13	Council Chambers	\$ 7,475.00	\$ 650.00	\$ 650.00	\$ 8,775.00	
1.14	Office Egress Routes	\$ 14,869.50	\$ 6,500.00	\$ 2,600.00	\$ 23,969.50	
THIRD FLOOR						2 weeks
1.15	People & Capatility Egress Routes	\$ 7,867.15	\$ 5,850.00	\$ 1,950.00	\$ 15,667.15	
1.16	Central corridor	\$ 6,379.05	\$ 3,250.00	\$ 1,560.00	\$ 11,189.05	
1.17	Cafeteria	\$ 17,819.25	\$ 6,500.00	\$ 1,560.00	\$ 25,879.25	
FOURTH FLOOR						1 week
1.18	Entrance & Egress Routes	\$ 11,518.40	\$ 6,500.00	\$ 2,600.00	\$ 20,618.40	
SIXTH FLOOR						1 week
1.19	Entrance & Egress Routes	\$ 14,869.50	\$ 6,500.00	\$ 2,600.00	\$ 23,969.50	
1.20	Independent Certification	TBA				
TOTAL		\$ 216,580.75	\$ 80,470.00	\$ 28,600.00	\$ 325,650.75	

22. As stated above, if the limited areas of ceiling tiles and partition walls are remediated, the weighted average compliance of the ceiling would likely be below 34%NBS. Option two would require the acknowledgement that Civic House would receive an EQP building notice until such a time that the earthquake risk was removed through the refurbishment of the building.

23. Option Three – Remove Ceiling Tiles, do not replace

24. Given the feedback at the SLT strategic session held on 9 March, that expecting staff to shelter under their desk may not be an appropriate course of action which would allow for Option two to be selected, and that the cost for option one is not acceptable at this point in time, a third option has been added to this memo.

25. When this option was originally considered, it was discounted after feedback from WSP on the negative impacts of this option based on their understanding of the limitations of the building:

- Heating capacity may not be sufficient to accommodate the extra volume (additional 30-40% estimated volume requiring heating) plus loss of insulation on level 6.
- Heat rises, so the upper parts of the space will get warmer than the areas where staff are based. This may require re-balancing of the systems to achieve workable conditions for the staff.
- The current HVAC system has many parts that are decommissioned or turned off for various reasons, so the system is unlikely to have the capacity for the extra volume of heating and cooling required.
- The offices will get noisier as the acoustic tiles are removed. This will both be because of sound “bouncing” off the harder surfaces as well as plant currently screened by the ceiling tiles becoming part of the direct office space.
- The ceiling grid will become unstable and potentially put at risk because the integrity will be removed. A full grid depends on the ceiling tiles being present to act as an integral system.

- Light units could become a risk if they are currently integrated in the ceiling grid, and may need replacing by pendent lights, or would need seismic restraining in other ways.
- Light levels could be impacted as there will be less light reflected off the ceiling. Generally the ceiling spaces are darker tinted and therefore reflect less light than the lighter tinted ceiling tiles.

26. While this option was originally discounted, it has been brought back due to the consideration that the feedback provided by WSP may result in staff discomfort until the refurbishment work is undertaken, however it would mitigate the life-safety concerns that are not provided by Option two.
27. There is an as yet unknown cost to Option three, where services above the grid will need to be secured, and implications for replacement or realignment of lighting and fire safety systems which are currently incorporated in the ceiling tiles.
28. It may be possible to complete a trial area of Option three to determine the actual impact of the removal of the ceiling tiles on the occupants of the area.

Recommendations

It is proposed that SLT accepts Option Two, which attempts to balance remediation of the priority risk areas with the cost to complete those remediation works, particularly given the work will be sacrificial and not able to be reused for the planned refurbishment. Alternatively, the decision could be deferred as included in the Council workshop on the Civic House Refurbishment project in May 2022.

ACTION SOUGHT FROM SLT

That the Senior Leadership Team

- 1 Agrees that the project to replace the ceiling tiles should continue, with a report to Council to seek additional funding for either Option One or Option Two, or Option Three.

Or,

- 2 Agrees that the project to replace the ceiling tiles in Civic House should be placed on hold pending further decisions on the timeframes and extent of the Refurbishment project, to be included in the Council workshop on the Civic House Refurbishment

Prepared by:

Approved for submission by:

.....
Rebecca Van Orden
Manager Property Services

.....
Nikki Harrison
Group Manager, Community Services

ATTACHMENTS:

- Attachment 1 Alexander Merino report September 2021 (A2853574)

STAFF TO ATTEND SLT MEETING:

- Rebecca Van Orden
- Wale Ilori
- Malcolm Hughes

Out of Scope

7.0 Civic House Ceiling Replacement – Revised Pricing and Budget Summary (Rebecca Van Orden)

Rebecca spoke to the above item. The papers were taken as read.

SLT agrees that the project to replace the ceiling tiles should continue, with a report to Council to seek additional funding and with more investigation on alternatives – e.g. netting

It was questioned how low the EQ rating will be if nothing is done. Rebecca to get further information from Bruce Mutton.

Tasman District Council's building is earthquake prone and it would be useful to know what their risk is (NBS rating).

ACTION A	A report is to be prepared to for Council to seek additional funding for the replacement of the ceiling tiles. <i>(Rebecca van Orden)</i>
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ACTION B	Obtain further information from Bruce Mutton on Earthquake Rating of Civic House if no remedial work is taken. <i>(Rebecca van Orden)</i>
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Out of Scope