

8.8. North Sydney Olympic Pool Redevelopment Governance Structure

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ATTACHMENTS: Nil

PURPOSE:

This purpose of this report is to outline to Council the proposed changes to the North Sydney Olympic Pool Redevelopment Governance Structure now that the construction contract has been executed and the project has entered the construction phase.

EXECUTIVE SUMMARY:

At the Council Meeting held on 30 July 2018, Council resolved to establish a governance structure for the redevelopment of the North Sydney Olympic Pool that included the following key elements.

- Steering Control Group.
- Project Control Group; and
- Stakeholder Group

This Governance structure was established to oversee the design aspects of the project as it went through each design phase which included Concept Design Development, Documentation and Design Refinements required for the lodgement of a Development Application and then detailed Design Documentation for Tender and Construction.

Now that the design stage of the project is completed, and Council has entered into a contract with a builder to construct the project over the next 21 months it is proposed to modify the governance structure for the project to meet the requirements of the construction phase.

FINANCIAL IMPLICATIONS:

Funding is included in Council's adopted 2021/22 budget and forward estimates for 2022/23 to facilitate the NSOP redevelopment project across the two financial years in which the work will be undertaken. The Governance structure and reporting lines for the project outlined within this report will ensure a high level of management and Council oversight of the project as it progresses.

RECOMMENDATION:

1. THAT Council notes the report and thanks the previous Steering Group for their contribution through the Design and Development phase of the NSOP redevelopment.

LINK TO COMMUNITY STRATEGIC PLAN

The relationship with the Community Strategic Plan is as follows:

2. Our Built Infrastructure

2.1 Infrastructure and assets meet community needs

5. Our Civic Leadership

5.2 Council is well governed and customer focused

BACKGROUND

At its meeting held 25 June 2018, North Sydney Council appointed design consultants Brewster Hjorth Architects and their sub consultant team to undertake the design services required for the redevelopment of the North Sydney Olympic Pool (Option2).

The services that the design team were engaged to provide included Concept Design Development, documentation and design refinements for the lodgement of a Development Application and then Detailed Design Documentation for Tender and Construction.

At its meeting of 30 July 2018, a report was provided to Council outlining the details of the establishment of a governance structure for the redevelopment of the North Sydney Olympic Pool that included the following key elements.

- Steering Control Group.
- Project Control Group; and
- Stakeholder Group

As resolved on by Council the Steering Committee comprised of the following members.

1. Ken Gouldthorp – General Manager (Chair);
2. Jilly Gibson - Mayor;
3. Alanya Drummond – Councillor
4. Bill Drakopolous - Tenant / Restaurateur, Aqua Dining & Ripples Café; and
5. Independent Aquatic & Recreation Advisors (Paul Murphy - GESAC - Victoria).

This Governance structure was established to oversee the design phase of the project as it went through the required design development stages and to ensure there was support from stakeholders at all levels.

At the Extraordinary meeting of Council held on 15 December 2020, Council resolved:

1. ***THAT*** authority be delegated to the General Manager to negotiate with the preferred tenderer and enter into a contract for development of the North Sydney Olympic Pool subject to:
 - i) the contract value being within the amended budget after allowing for contingencies and project management costs as identified in the Confidential Report.
 - ii) gaining unanimous consent from a committee comprising the Mayor, Deputy Mayor and Cr Mutton; in respect to negotiated amendments to the Construction Contract.

A contract was subsequently formally entered on 31 December 2020 with the preferred tenderer, Icon SI.

Now that the design stage of the project is completed, and Council has entered into a construction contract with a builder to construct the project over the next 21 months it is proposed to conclude the previous governance structure and transition to the delivery phase of the project with appropriate reporting lines to the General Manager and Council.

CONSULTATION REQUIREMENTS

Community engagement will be undertaken in accordance with Council's Community Engagement Protocol.

DETAIL

Finalisation of Contract Negotiations

The contract "negotiations" were more akin to a clarification of responsibilities, arrangements and priorities than a negotiation. They ensured both parties were clear on respective responsibilities and minimized potential for misunderstanding from the outset of the contract.

The contractors removed 19 of their clause variation requests after the first meeting and provided their reasoning around any concern on the remainder together with prospective wording. Council was then able to accept approximately five as reasonable, inconsequential or in fact clearer wording than initially proposed. The remaining approximately 15 were addressed with a number unchanged with further explanation, the addition of extra clarity to avoid concern (e.g. clearer identification of design responsibilities annexed to the contract), minor variations for additional benefits sought (e.g. additional costs of \$19K for additional security), clarification of project management processes and minor clause adjustments.

The Committee referred to in 6 ii) of the Council Resolution (above) met on 22 December 2020 to review the outcome of the negotiations prior to providing the unanimous consent required by the resolution.

Grant Parker, Partner, Spark Helmore, was present at the meeting to address any legal contractual matters raised by the members.

Project Delivery Team

The Project Delivery Team (PDT) will comprise:

- Duncan Mitchell – Director of Engineering and Property Services - Project Director (Principals Representative)
- John Thomson – Contracts Manager (Project Superintendent)
- Shahid Rehman – Senior Project Manager (Project Manager 1)
- On Site Construction Management (Vacant) – WHS and Contractor liaison (Project Manager 2).

The titles shown in brackets align with Construction Contract terminology and responsibilities.

Council will engage the following external expert service providers for the project on an as needs (hourly rates) basis to manage consultant costs for the duration of the construction phase.

- Sparke and Helmore Lawyers – Contract Management / Dispute Resolution and Legal expertise.
- Brewster Hjorth Architects and Subconsultant Team (Request for Information – RFIs, Inspections, shop drawing, finishes and design review requirements for the project during construction.
- Urbis consultants – Heritage Specialists and Heritage advice during construction
- CCS – Principal Certifying Authority (PCA) services – all required certification services including Construction Certificates and Occupation Certificate.
- Innova Services – Fire Safety Engineers – Fire services certification
- Bluestone Management – Quantity Surveying Services for assessment of claims
- Arborist Services – Tree management and inspections throughout the construction period. Arborists to be appointed.
- Royal Life Saving NSW – Final Accreditation of the completed facility.

Purpose and Roles of the Project Delivery Team (PDT)

The purpose of the PDT and the designated roles of the team members supported by external specialist consultant services is to oversee the successful delivery of all aspects of the project during the construction phase. The PDT represents Council as the Contract Principal and is the single contact and authority for the contractor's project management team in accordance with the construction contract.

This includes responsibilities to ensure the project is delivered on time and on budget as well as overseeing all quality aspects of the project in terms of design outcomes that Council's Steering Committee had signed off on during the design phase of the project.

The Project Delivery Team will be fully responsible for the Contract Management, Project Management, Financial Management and construction documentation for the redevelopment of the North Sydney Olympic Pool for the duration of the construction period including handover and commissioning.

The PDT will also oversee the adherence and compliance with all required development consent conditions for the project and also be the principal contact for all communications and community engagement outside of the builders designated responsibilities for the project.

Lines of Communication and Reporting

All members of the PDT established for the Project will report to the Project Director. Members of the PDT will also have direct contact with the Builder for the duration of the Project. The External Services providers that are nominated as part of the PDT will report directly to the members of the PDT and will not have any direct communication with the Builder. All communication from External Service providers as identified as part of the Delivery Team will go through the nominated PDT member before being forwarded to the builder.

The contract entered into by Council with the builder establishes the required response times for construction queries (RFIs), approvals required from Council, inspections and design sign off of shop drawings and the like.

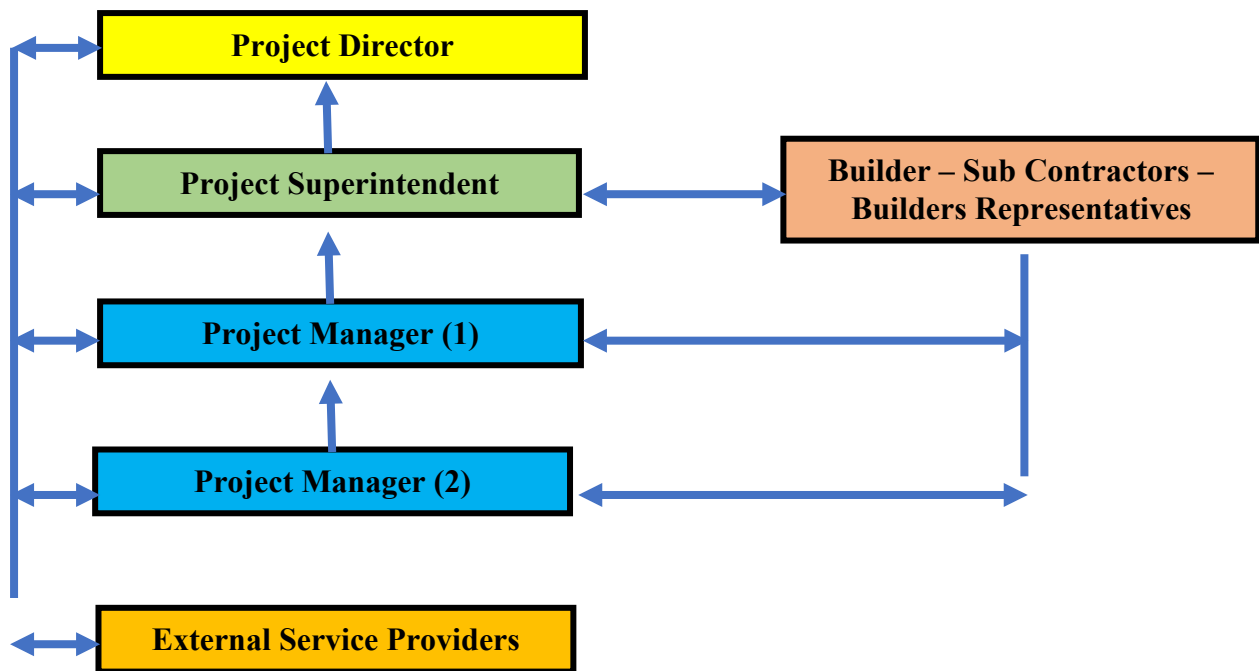


Figure 1. PDT Lines of Communication and Reporting - Flow Diagram

All communication between the builder, the builder’s sub-contractors and or representatives is to go through the PDT. No Council Officers or external parties outside of the PDT are to be in direct contact with the builder. Any contact with the builder or the builder representatives outside of the established communications protocol will be deemed as unauthorised as it may have unforeseen contractual implications that impact upon time, quality and cost outcomes for the project.

Frequency of Meetings of the Project Delivery Team (PDT)

The Project Managers will liaise with the building team on a daily basis. A formal meeting will be undertaken on a weekly basis between Council’s PDT and the Builder’s Project Management Team.

Meetings with the nominated External Expert Service providers that form part of the PDT will be held on an as required basis and on hourly rates to manage the overall consultant costs for the project during the construction phase.

Records of all decisions/commitments from all meetings held by the PDT with the Builder, Consultants and external stakeholders will be taken by the nominated Project Managers and Superintendent for the Project and stored in the dedicated Project folder and registered in ECM.

2. Reporting and Monitoring

The Project Superintendent is responsible to the Project Director and will liaise with the Project Director throughout the project as required.

The Project Superintendent will provide project management reports addressing progress of the project, financial management and any variations on a monthly basis to MANEX, (chaired by the General Manager), who will undertake the role of Project Steering Group.

Project Management reports will be provided to the elected Council via the Governance and Finance Committee on a quarterly basis coinciding with the quarterly operational plan and quarterly budget reviews.

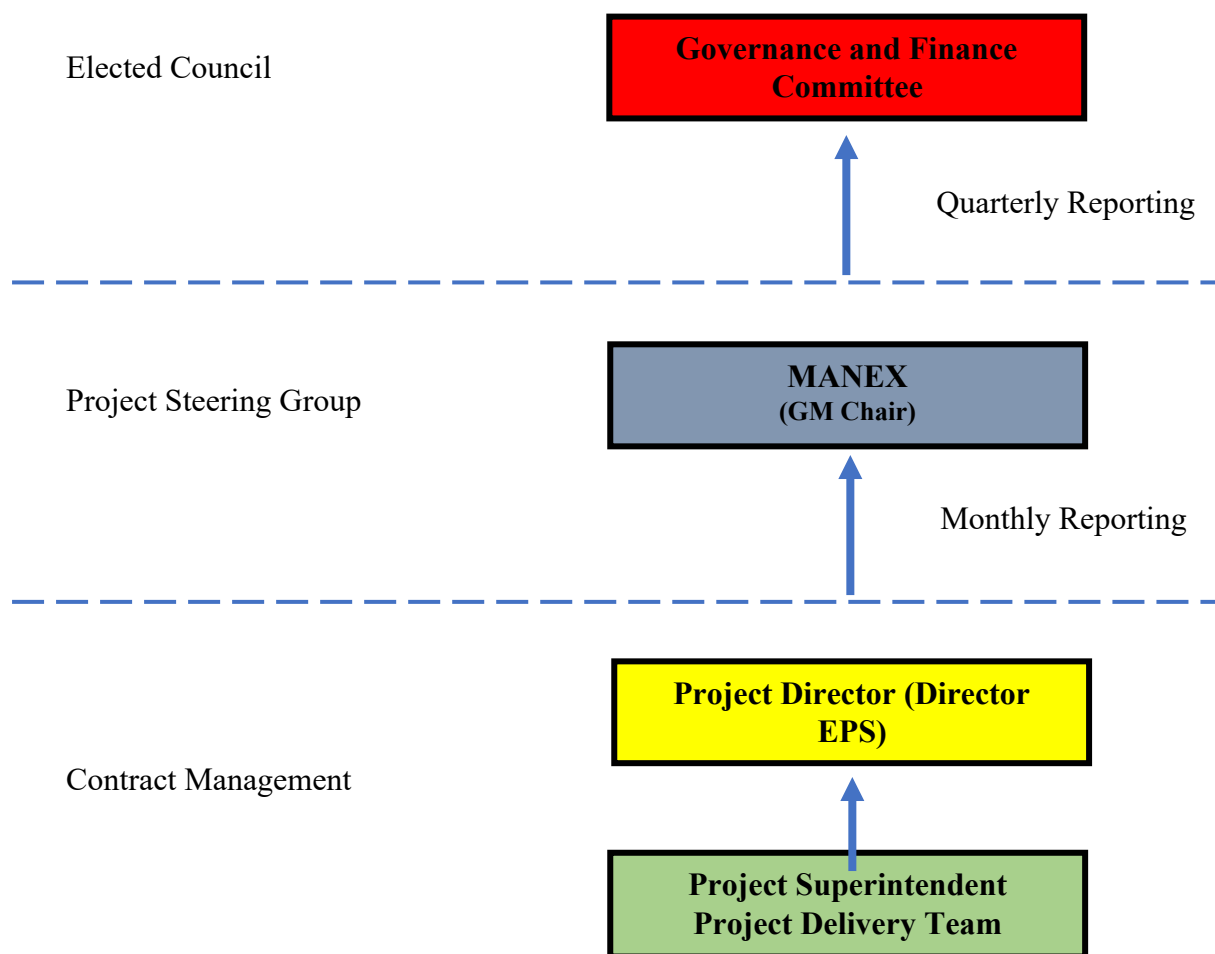


Figure 2. Reporting lines and accountability

3. Handover and Operations

Six months prior to anticipated completion and hand back of the redeveloped facility to Open Space and Environmental Services, an operations steering group will be

established to ensure smooth transfer from construction completion to operation.

A further report will be presented to Council prior to the commencement of this phase.

Project Program

Anticipated Start: The PDT and the Reporting and Monitoring regime for the construction phase of the Project will Commence in February 2021

Anticipated Completion: November 2022

Responsible Officer: Duncan Mitchell – Director of Engineering & Property Services