

10.17.North Sydney Olympic Pool Redevelopment Update

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ATTACHMENTS	Nil
CSP LINK	2. Our Built Infrastructure 2.1 Infrastructure and assets meet diverse community needs

PURPOSE

The purpose of this report is to provide an update to Council on the redevelopment of North Sydney Olympic Pool.

EXECUTIVE SUMMARY:

- Construction of North Sydney Olympic Pool is currently forecast to reach Practical Completion in July 2024, however, recent design and construction issues associated with the structural steel to the 25m pool hall roof are expected to result in a significant delay that is yet to be determined.
- Council has commissioned an audit of the quality management systems in accordance with the provisions of the construction contract.
- Considerable progress has been made in the evaluation of Extension of Time (EOT) with all claims up until the end of October now assessed. However, there is a significant difference between the quantum of days assessed and those claimed by the contractor.
- The current construction contract value is \$58.99m, which includes \$5.47m in approved variations. The allocated project budget remains \$85.87m.
- The majority of submitted variations have now been assessed however agreement on the valuation of several variations remain to be agreed, which will potentially impact the cost to completion for this project.

RECOMMENDATION:

1. **THAT** the report be received.

Background

Redevelopment of North Sydney Olympic Pool commenced in March 2021, following the signing of construction contracts in December 2020.

The last update report regarding the project was provided to Council at its meeting of 9 October 2023. Councillors were also provided with an update on the project at a formal briefing session held 6 November 2023.

Onsite Progress

The following works are now proceeding or scheduled to be completed in October 2023 include:

- level 5 NW roof structure;
- level 2 glazing to gym skylight and façade;
- lift 1 installation;
- 50m pool concourse;
- 50 m pool tiling;
- level 1 internal blockwork;
- external connection to services in Olympic Drive;
- commencement of high-level service installation; and
- restoration of Eastern Stair tower windows

Project Timeframe

Progress against the program is being monitored on an ongoing basis through formal site inspections attended by representatives from ICON, Council, and Council's external Programmer.

The date for Practical Completion is currently July 2024, due to ongoing design and construction issues across the project. More recently a significant design and construction issue has been encountered in relation to the structural steel roof framing over the 25m indoor pool, resulting in the disassembly of this work. Council's design consultant and construction contractor have been working to resolve this issue. The exact extent of this delay is currently being quantified.

Considerable progress has been made in the evaluation of Extension of Time (EOT) with the assistance of the APP Group. All claims up until the end of October are now assessed. However, there is a significant difference between the quantum of days assessed and those claimed by the contractor.

Project Budget

The total allocated budget for the redevelopment of North Sydney Olympic pool is \$85.87m. The current agreed contract value for construction is \$58.99m, which includes \$5.47m in approved variations.

The majority of submitted variations have now been assessed, however a number of variations still remain to be agreed with the contractor to inform the forecast cost to completion for the project. The project is experiencing a higher number of variations than could be expected for this type of project due to ongoing design and construction related issues.

A summary of agreed variation adjustments is provided in the table below.

Classification	Variations approved 8 Sept 2023	Variations approved 23 Oct 2023	Variance
	\$	\$	\$
Delays	1,068,765	1,248,765	180,000
25m Pool	287,290	287,290	Nil
Design finalisation	568,470	568,470	Nil
Early works/latent conditions	1,685,344	1,685,344	Nil
Hazardous substances	673,823	673,823	Nil
COVID delays	210,324	210,324	Nil
Services	308,937	308,937	Nil
Additional survey	13,195	13,195	Nil
Miscellaneous	443,081	552,181	109,100
Design Enhancements	6,616	6,616	Nil
Provisional sum adjustments - contamination	190,447	190,447	Nil
Funding from other internal sources	153,809	153,809	Nil
Total	5,186,503	5,475,603	289,100

Quality Management

Council has recently commissioned an audit of the contractor's Quality Management Systems. The audit is being conducted in accordance with Standard AS/NZS ISO 9001:2016 Quality Management Systems.

Operational Preparations

Progress towards operational readiness continues. A draft Business Plan to inform the operation and management was presented to a formal briefing of Councillors on 6 November 2023. A detailed marketing plan will be finalised early 2024 that will include a comprehensive promotional campaign to encourage strong pre-sales and large visitation numbers when the facility opens.

Tenders are currently being sought for the supply of gym equipment, and Expression of Interest packages are being prepared for an external party to operate the level 3 Café/Kiosk and the level 2 Gelato Bar.

Progress Photos





