

10.6. North Sydney Olympic Pool Redevelopment Project Update

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ATTACHMENTS	1. CONFIDENTIAL - NSOP Redevelopment Report 9 December 2024 [10.6.1 - 3 pages]
CSP LINK	2. Our Built Infrastructure 2.1 Infrastructure and assets meet diverse community needs

PURPOSE:

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

EXECUTIVE SUMMARY:

- The revised contractual date for Practical Completion of the project remains 11 July 2024. Council's contractor Icon Pty Ltd (Icon) is reporting a Practical Completion date of 23 May 2025 based on their anticipated program to completion.
- The difference between the contractual date for Practical Completion and Icon's proposed date is the subject of a Notice of Dispute, which has been lodged by Icon.
- The total revised construction contract sum for the redevelopment is \$91.57m. Total project costs remain within the total forecast costs to completion of \$122m, noting Council is aware of significant variations that are still to be lodged.

RECOMMENDATION:

- 1. THAT** the meeting be closed to the public in accordance with Section 10A (2):
(c) information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business and because consideration of the matter in open Council would be, on balance, contrary to the public interest as it would affect Council's ability to obtain value for money services.
- 2. THAT** the confidential report and related attachments be treated as confidential and remain confidential unless Council determines otherwise.
- 3. THAT** Council note the contents of this report in relation to the redevelopment of the North Sydney Olympic Pool.

Background

Construction for the redevelopment of the North Sydney Olympic Pool commenced in March 2021. The last formal report in relation to this project was provided to Council on 28 October 2024. Councillors were also provided with a formal briefing in relation to this project on 13 November 2024, which included forecast costs to completion and ongoing legal action.

Report

On-site Progress

Key progress onsite progress this month includes the commencement of zinc cladding installation on level 4, and the completion of high-level services on level 3 and within the level 2 gym area. External wall tiling has commenced on amenities on level 1 and internal waterproofing and wall tiling continues, also on level 1. The electricity substation was recently commissioned, which marks a significant milestone for the project.

Contract

The revised contractual date for Practical Completion of the project remains 11 July 2024, however Council's contractor (Icon) is reporting that they will achieve Practical Completion on 23 May 2025. The major reason for the difference between these dates is the delay associated with the structural steel for the roof over the 25m indoor pool. This matter is the subject of a formal Notice of Dispute lodged by Icon.

49 Requests for Information (RFIs) were submitted in October 2024, bringing the total number of RFIs on the project to 1,680. Council's project team have closed a large proportion of these RFIs, however 42 remain outstanding. The project continues to be subject to large numbers of RFIs due to latent conditions, design, and contractual issues.

Icon submitted one Extension of Time claim in October, related to the upper roof structural steel over the 25m indoor pool. This claim is currently being assessed by the Project Superintendent.

As we move towards the final stages of the project, Council's project team are heavily focused on ensuring outstanding quality and compliance issues are addressed in a timely manner to ensure the quality of the facility. 53 quality issues remain outstanding at the end of October 2024.

Council has now received a total 399 variation claims from Icon on this project. The details of the 57 variations that currently under assessment have been included within the confidential attachment to this report. Council is also aware of a further 87 possible variation claims worth in the order of \$3.6m that Icon has not yet submitted. It is anticipated that variation claims will continue until the end of the project due to design and contractual issues.

Council project team continue to scrutinise variation claims. One variation has been approved with a total value of \$58,615, since the November 2024 report to Council, as per the table below.

Variation Number	Description	Assessed Amount
445	Roof Drainage - Kingspan Box Gutters (Required due to change in design)	\$58,615.13
Total Value of Assessed & Agreed Variations		\$58,615.13

The total revised construction contract sum is \$91.57m. Total project costs remain within the total forecast costs to completion of \$122m, however as reported, Council is aware of significant variations that are still to be lodged, and the significant number for RFIs still being received, which can be the source of further variation claims. A more detailed breakdown of budget, expenditure, and variation claims under assessment can be found within the confidential attachment to this report.