

10.11.North Sydney Olympic Pool - redevelopment project update

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ATTACHMENTS	1. NSOP Redevelopment Report February 2025 [10.11.1 - 6 pages]
CSP LINK	2. Our Built Infrastructure 2.1 Infrastructure and assets meet diverse community needs

PURPOSE:

This report provides Council with an update on the North Sydney Olympic Pool redevelopment project.

EXECUTIVE SUMMARY:

- The revised contractual date for Practical Completion remains 11 July 2024, Council's contractor Icon is disputing this date is now reporting a forecast a target completion date of 19 June 2025.
- Icon have claimed and continue to claim Extensions of Time (EoTs) for delays associated with the structural steel roof over the 25m indoor pool, which are the subject of a formal Notice of Dispute that has now reached mediation.
- *The revised* construction contract sum is currently \$91.74m. Project costs remain within the total forecast costs to completion of \$122m, however Council is aware of significant variation claims 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 on the redevelopment of North Sydney Olympic Pool commenced 9 March 2021.

The project scope includes the construction of a grandstand seating 970 people, a 50m outdoor pool, a family leisure pool with splash play, change facilities, 1,100m² gym, 120m² creche with 95m² outdoor play area, a 25m indoor pool, a warm water pool, spa and sauna facilities, an internal café, a retail shop, and reconstruction of the former 'Ripples Cafe'.

The last formal report in relation to this project was provided to Council on 9 December 2024.

Report

On-site Progress

The site was closed for the Christmas holiday period between 21 December 2024 and 6 January 2025. Key progress onsite since the December report to Council includes the completion of the level 4 external zinc cladding and the completion of significant areas of floor and wall tiling throughout the amenities on level 1. Structural steel columns for the lower roof of the 25-metre pool hall over the grandstand are currently being erected, with beams onsite, and the structural steel for the gelato bar on level 2 is now in place. Offsite fabrication of the structural steel, which will form the main entrance, has now commenced.

Contract

The revised contractual date for Practical Completion remains 11 July 2024. Icon is disputing this date claiming Extensions of Time (EoTs) for delays associated with the structural steel roof over the 25m indoor pool.

The Superintendent judged the EoTs and associated costs claimed by Icon to be invalid. Icon subsequently placed the matter into the formal Notice of Dispute process under the provisions of the Contract. Icon referred the matter to formal Mediation when First and Second level discussions, required under the contract, were unable to resolve the dispute. Parties were unable to resolve the dispute when mediation occurred 11 December 2024.

Outside of the Notice of Dispute process, Icon lodged Adjudication claiming costs associated with the rectification of the roof over the 25m pool. The Adjudicator agreed with the Project Superintendent assessment of Icon's claim. Further information in relation this matter is included within the confidential attachment to this report.

Icon is now reporting a forecast a target completion date of 19 June 2025 (as per their December 2024 Project Control Group report), citing ongoing delays associated with the structural steel roof over the 25m pool. These delays, which focus on a specific element of the building, are not accepted nor approved by Council. Council's Project Team and Programmer continue to dispute the causes cited by Icon for ongoing delay.

Icon has submitted four claims for Extension of Time (EoT) since the December 2024 report to Council, relating to the upper roof structural steel. The Project Superintendent has rejected three of these claims and is currently assessing the fourth.

A further 66 Requests for Information (RFIs) have been submitted since the report to Council on 9 December 2024, bringing the total number of RFIs on the project to 1,746. Council’s project team continue to work to close-out these RFIs, however 37 of these remain outstanding. The project continues to be subject to large numbers of RFIs due to the ‘construct-only’ nature of the contract, latent conditions, design, and contractual issues.

Council’s project team continues to be focused on ensuring outstanding quality and compliance issues are addressed in a timely manner to ensure the quality of the facility. There were 91 quality issues remaining open in early January 2025.

A total of 412 variation claims have been submitted by Icon on this project. The details of the 55 variations currently under assessment are included in the confidential attachment to this report.

Council is also aware of a further 99 possible variation claims worth in the order of \$3.7m 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.

The revised construction contract sum is \$91.74m, which includes \$173k of variations that have been agreed and closed since the last reporting period. The details of these variations have been included within the table below.

The 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 that are still being received.

Variation Number	Description	Assessed Amount
404	L1 Plant Room – Remediation of existing wall finish (Latent Condition)	\$16,566.13
425	External drain grate required size increase due to design documentation ambiguity. (Design Change)	\$21,260.82
435	Independent Review of Drawings Architect Round 1 (Contract sum adjustment)	-\$7,800.00
451	Independent Review of Drawings Architect Round 2 (Contract sum adjustment)	-\$19,180.00
466	Electrical Review of Comms Rack(s) (Additional patch panels required)	\$4,203.07
467	Hopkins Park Planter Boxes. Adjustment to screeding. (Design Change - Not proceeding)	Not proceeding
469	Additional steel for West Glass Awning. Increase in member size. (Design Change)	\$7,573.76

472	Contaminated Ground (Latent Condition)	\$76,244.97
476	Fire Hose Reel – Required finish change for corrosion protection. (Design Change)	\$18,973.24
478	Adjudication Determination Fees (contractual requirement)	\$55,440.00
494	Credit for Spa Jets Material Change (Defect - Not proceeding)	Not proceeding
Total Value of Assessed & Agreed Variations		\$173,281.99