

10.9. North Sydney Olympic Pool Redevelopment Project Update

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ATTACHMENTS	1. CONFIDENTIAL - NSOP Redevelopment Report 24 Mar 2025 [10.9.1 - 7 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:

- Council's contractor (Icon) is progressing works onsite; however, progress is being impacted by continuing program slippages. The revised contractual date for Practical Completion remains 11 July 2024; Council's contractor Icon is now reporting a forecast target completion date of 17 July 2025.
- The revised construction contract sum is currently \$91.78m. 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 24 February 2025. Councillors were also provided with a briefing regarding the project on the 17 February 2025.

Report

On-site Progress

Council's contractor (Icon) is progressing works onsite; however progress is being impacted by continuing program slippages.

The installation and waterproof testing of insulation on the structural steel roof over the 25m is progressing, and the erection of the structural steel roof structure over the grandstand from the 25m indoor is now substantially complete.

The structural steel that will form the main entrance into the pool from Alfred Street has now arrived and erection of these elements will shortly commence. The off-site fabrication of the steel, which will be the last structural component of the reconstruction of 'Ripples' café, has commenced.

Waterproofing of the amenities on Level 3 is substantially complete, and high-level ceiling services and blockwork walls to form the amenities on level 2 are progressing.

Contract

The revised contractual date for the Practical Completion remains 11 July 2024. Icon continues to extend their target date for Practical Completion (now 17 July 2025), due to program slippages.

With ongoing adjustments to program forecasts, Council continues to be concerned in relation to progress on site and certainty in relation to Icon programming timeframes. Building costs are subject to contractual conditions, and the Project Superintendent has now certified Liquidated Damages, in favour of Council, backdated to the contractual date of Practical Completion 11 July 2024. However, ongoing delays will result in increased costs associated with retention of consultancy services, insurances and other miscellaneous.

Icon have submitted a total of 157 claims for Extension of Time. The Superintendent is currently assessing four recently submitted EoT claims for 32.5 days, noting that all other EoT claims have been assessed.

A further 37 Requests for Information (RFIs) have been submitted since the report to Council on 24 February 2025, bringing the total number of RFIs on the project to 1783. Council's project team have closed out 1742 of these RFIs and 41 are in the process of being addressed. 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 that compliance issues are addressed in a timely manner to ensure the quality of the facility. There were 58 quality issues remaining open in early January 2025.

A total of 415 variation claims have been submitted by Icon on this project. The details of the 57 variations currently under assessment are included in the confidential attachment to this report.

Council is also aware of a further 119 possible variation claims worth in the order of \$4.2m 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 \$91.78m, which includes \$35k 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.

Variation Number	Description	Assessed Amount
463	Sauna & Steam Room Further Changes to mechanical services (design change)	\$19,961.33
490A	Level 3 Kiosk Electrical Services Changes to accommodate future fit out (design change)	\$13,266.61
509	Changes to access panel to stainless steel in L1 plant room due to corrosive environment. (Design Change)	\$2,302.39
Total Value of Assessed & Agreed Variations		\$35,530.33

The total project costs remain within the total forecast costs to completion of \$122m, which includes consultancy and design costs, client fitout, and development costs. 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.

Legal proceedings continue in relation to this project.