

10.11.North Sydney Olympic Pool Redevelopment Project Update

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ENDORSED BY	Therese Cole, Chief Executive Officer
ATTACHMENTS	1. CONFIDENTIAL - NSOP Redevelopment Report 25 August 2025 [10.11.1 - 9 pages]
CSP LINK	Outcome 3 – An active community with space for everyone to exercise and enjoy the outdoors O3. Provide new and upgraded facilities within existing public spaces to increase amenity, accessibility and diversity

PURPOSE:

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

EXECUTIVE SUMMARY:

- There has been a significant increase in onsite activity and resources which has resulted in substantial progress across many areas of the project. The project is now transitioning to fit out and commissioning activities.
- The contractual date for Practical Completion for the project is 11 July 2024. Icon recently provided an updated program indicating 18 November 2025 as their forecast date for Practical Completion (handover). It is anticipated that it will take two - three months to commission and operationalise the facility before it can be open to the public.
- Council must now extend key consultancies from the end of August 2025 to the end of November 2025, to align with the most recent Practical Completion date issued by Icon. Construction Works insurance has now been extended to the 18 November 2025, in line with the advised forecast date for Practical Completion.
- The revised construction contract sum is currently \$92.28m, which includes 13 variations totaling \$22.7k that have been agreed and closed since the last report to Council.
- The total project commitments remain within the forecast costs to completion of \$122m. It should be noted that this forecast was provided to Council in February 2024, with an anticipated date for project completion of December 2024. There are a significant number of variations either under assessment or that are yet to be submitted, which will place further pressure on the allocated budget for this project.

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.
- 4. THAT** Council authorise the Chief Executive Officer to extend the agreement with Brewster Hjorth Architects Pty Ltd for Design Services to 30 November 2025 at a cost of \$264,050 (excl GST) for the North Sydney Olympic Pool redevelopment using the extenuating circumstances provisions within s55(3)(i) of the Local Government Act 1993, noting that the additional costs can currently be accommodated within the existing allocated budget.
- 5. THAT** Council authorise the Chief Executive Officer to extend the agreement with the APP Group Pty Ltd for Project Management resources to 30 November 2025 at a cost of \$261,680 (excl GST) for the North Sydney Olympic Pool redevelopment using the extenuating circumstances provisions within s55(3)(i) of the Local Government Act 1993, noting that the additional costs can currently be accommodated within the existing allocated budget.
- 6. THAT** Council authorise the Chief Executive Officer to extend the agreement with the CPM Pty Ltd for Programming services to 30 November 2025 at a cost of \$7,080 (excl GST) for the North Sydney Olympic Pool redevelopment using the extenuating circumstances provisions within s55(3)(i) of the Local Government Act 1993, noting that the additional costs can currently be accommodated within the existing allocated budget.
- 7. THAT** Council authorise the Chief Executive Officer to extend the agreement with the Blue Stone Management for Quantity Surveying Services to 30 November 2025 at a cost of \$31,600 (excl GST) for the North Sydney Olympic Pool redevelopment using the extenuating circumstances provisions within s55(3)(i) of the Local Government Act 1993, noting that the additional costs can currently be accommodated within the existing allocated budget.
- 8. THAT** Council note the extension of Contract Works Insurance for the redevelopment of North Sydney Olympic Pool to the anticipated Practical Completion date of 18 November 2025, at a cost of \$270,757(excl GST).
- 9. THAT** Council note that current financial commitments for the North Sydney Olympic Pool redevelopment remain within the forecast cost to completion of \$122m, however there are a significant number of variation claims that are still to be submitted.

Background

Construction for the redevelopment of North Sydney Olympic Pool commenced on 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 the Council on 28 July 2025. Councillors were provided with a confidential briefing in relation to the project on 4 August 2025 and a Councillor site walkthrough occurred on 8 August 2025.

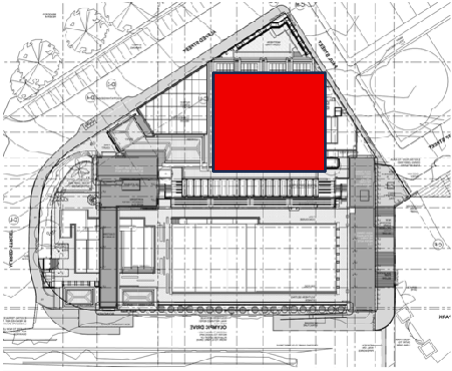
Report

On-site Progress

High levels of resourcing are now being maintained across the site and activities are continuing at a steady level in accordance with the adjusted program to completion.

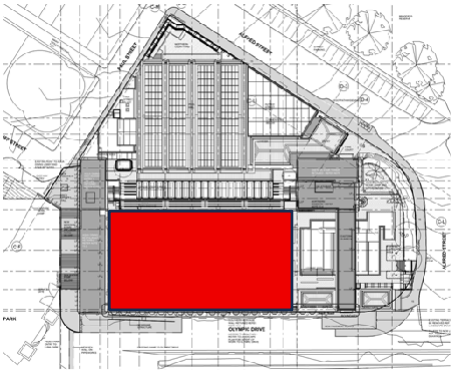
1. Upper Pool Hall (level 3):

Installation of the ceiling over the indoor pool is complete and internal scaffolding has been removed. Preparation of the pools for tiling has commenced. Work on the outdoor area ‘Hopkins Park’ (behind the indoor pool) has begun. Amenities in this area are almost finished.



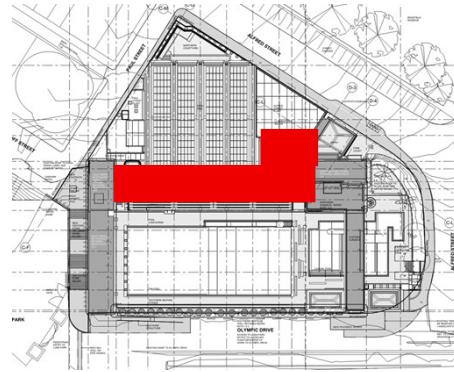
2. 50m Pool Area:

Paving of the 50m pool concourse is being finalised. Final cleaning of the 50m pool is in progress and installation of fittings such as ladders, lane rope anchors, and floating booms is in progress.



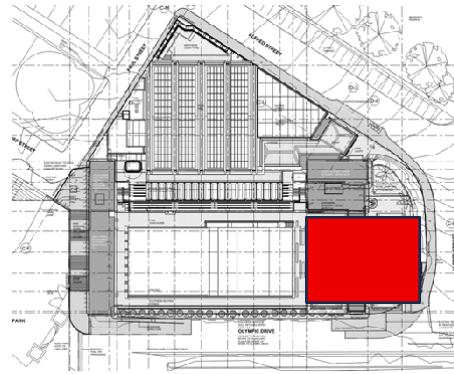
3. Lower Roof Area:

Glass balustrades to the grandstand have been installed. Paving of these areas is well progressed. Installation of handrails on the grandstands has started. Installation of glazing enclosing the entry foyer has also commenced.



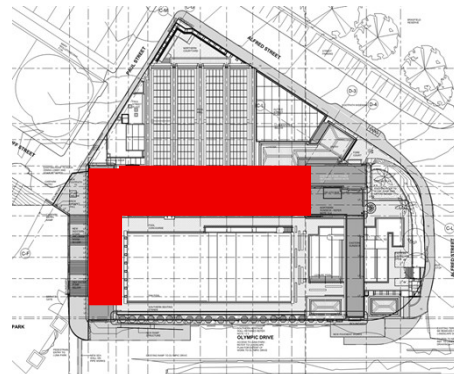
4. Leisure Pool Area / Ripples Cafe:

Tiling of the children’s outdoor pool and hobs in the splashplay area are complete. The floor surface of the splashplay area is ready to receive pebblecrete. Structural steel for Ripples Café and the shade structure adjacent to the children’s pool is complete. Planting has commenced.



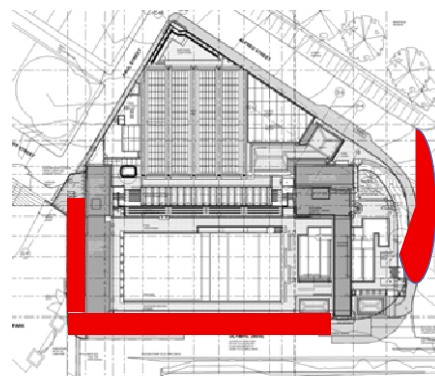
5. Internal Fitout:

Tiling of floors and walls is complete, as is the fitout of toilets and changerooms including partitions, vanity fixtures, toilets, swimsuit dryers, handryers, lockers, and seating. Doors and signage for these areas are being installed.



6. External Areas:

Paving and balustrading of the western stairs and Olympic Drive are complete. External works along Alfred Street have commenced.



Contract

The revised contractual date for Practical Completion for the project is 11 July 2024. Council's Contractor (Icon) has recently provided an updated program indicating a forecast date for Practical Completion of 18 November 2025, which includes 7 days of contingency.

The Program has experienced some slippage in non-critical activities which reduces the available float to these activities, leaving them open to becoming critical and causing potential future delay. Icon has submitted one Extension of Time claiming an extension of one day for inclement weather. This claim is currently being assessed by the Superintendent.

Practical Completion will result in the formal handover to Council of the facility. As previously advised, Council anticipates that it will take two – three months to commission and operationalise the facility before opening to the public.

47 Requests for Information (RFIs) have been submitted since the last report to Council, which is higher than the previous month (28). This is considered to be a reflection of the recent high level of activity on the site and the RFIs are largely confirmation of design information, and not material or variation related. The total number of RFIs on the project is now 1,992.

Council's project team continues to focus on ensuring that quality issues are addressed through regular inspections where defective or non-compliant work is identified. There were 62 outstanding quality issues open at the end of July 2025, which is a drop from 82 reported at the end of June 2025. 147 of 310 quality issues are now closed indicating progress in this area.

Icon has submitted 26 variation claims since the last report to Council, taking the total number of variation claims lodged by Icon to 541. There are currently 116 variations under assessment. The details of these claims have been included within the confidential attached herein.

Council is aware of a further 129 possible variation claims worth approximately \$3.5M 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 currently \$92.28m, which includes 13 variations totaling \$22.7k that have been agreed and closed since the last report. The details of these variations are listed on the next page.

Variation Number	Description	Agreed Amount
400	SHS Steel Post (Contractor Initiated) SHS Posts claimed noted on Contract drawing 1/A370 and 2/A370.	Withdrawn
414	ICONCO-SUPRFI-001414 Drawing Update Review Variation not received. Withdrawn prior to formal Variation Claim being submitted.	Withdrawn
461	NSOP Internals L1 Variation not received. Withdrawn prior to formal Variation Claim being submitted.	Withdrawn
475	S3.32B & S3.29B W4 Changes & RC Hob (Contractor Initiated) Costs claimed associated with wall type changes. Claim reviewed and confirmed changes were required due to contractor initiated changes.	Withdrawn
552	L3 Pool Hall Clock Power Provisions Only (NSC Directed) This variation is a NSC direction to relocate one power provision from L3 NW to L3 NE elevation & additional power provision to L1 SE Pool Clock.	\$5,358.88
565A	CN2136 - Various Ramp Introductions (Design Change/Issue) Concrete profile changes required due to accessibility compliance issues.	\$3,341.56
566	Scoreboard AV Integration Sound Variation not received. Withdrawn prior to formal Variation Claim being submitted.	Withdrawn
576A	50m Scoreboard Audio Integration (NSC Directed) NSC direction for audio integration from 50m Pool Screen to the 50m Speaker, & Programme 1 and 2.	\$22,237.49
592B	Stair Opening to Comms Room & L1 Wall Junction (Design Change/Issue) This variation is cost associated in fire rating fire-compartment gaps not previously documented.	\$4,738.36
613	D1.24 HOF Head Structural Supports Variation not received. Withdrawn prior to formal Variation Claim being submitted.	Withdrawn
614	(Credit) Spoon Drain Remedial Works Credit received to resolve the spoon drain inground pipe issue by conducting the remedial works within the spoon drain.	-\$10,000.00
616	(Credit) Earthquake Bracing Defect Notice Credit received for NSC to undertake waterproofing membrane repairs required to the Eastern Stairtower roof damaged by contractor.	-\$2,909.09
635	ETFE Gutter Performance Requirements & Membrane Variation not received. Withdrawn prior to formal Variation Claim being submitted.	Withdrawn
Total Value of Assessed & Agreed Variations		\$22,767.20

Extension of Consultancies

A report to the Council meeting on 28 April 2025 included advice from Council's specialist programmer which noted that Icon may not reach Practical Completion until late November 2025. At that time Icon was advising Practical Completion would be achieved in August 2025. Council subsequently extended consultancy contracts until the end of August 2025. However, it was noted that the consultancies would need to be extended should there be further slippage in Icon's program as anticipated by Council's Programmer. Icon have advised that they do not believe they will reach Practical Completion until 18 November 2025 and therefore Council must now extend key consultancies.

BHA Pty Ltd - Design Services

Brewster Hjorth Architects Pty Ltd (BHA) were initially engaged for design services for the NSOP redevelopment project through tender (34/2018) for which include the engagement of required sub-consultants for:

- Stage 1 - Detailed Design Development
- Stage 2 - Documentation for Development Application and Statutory Approvals
- Stage 3 - Documentation for Tender and Construction Purposes (Issued for Construction).

Council subsequently engaged BHA for Stage 4 (construction) design services due to the 'construct only' nature of the NSOP redevelopment contract.

At its meeting on 24 June 2024 Council resolved to extend these services of BHA Pty Ltd until early 2025, which was in line with the anticipated time for Practical Completion; using s55(3)(i) of the Local Government Act (1993) (the Act), which enables Councils to forego the requirement to tender in the event of "extenuating circumstances".

At its meeting of 28 April 2025, Council again extended the services of BHA Pty Ltd until 31 August 2025, using the "extenuating circumstances" provision within the Act.

The circumstances were deemed to be extenuating, given BHA have a long engagement with the project, including the development of initial concept design to their current engagement in construction design services. Retendering these services has been considered; however, this would inevitably result in considerable delay and associated costs as an alternative provider would need to expend substantial time and resources to enable them to acquire the same level of understanding of the project. There is also a question in relation to the ability for an alternative consultant to engage subconsultants that have been engaged by BHA for this project, which may impact warranties and certification of design elements for occupancy.

It is proposed to extend the services of BHA until the 30 November 2025, using "extenuating circumstances" provision within the Act, which will cost a further \$264,050 (excl GST).

APP PTY Ltd – Project Management

At its meeting of 28 October 2024 Council resolved to extend the services of the APP Group (APP) until May 2025, using s55(3)(i) of the Local Government Act (1993), using the "extenuating circumstances" provision within the Act.

At its meeting on the 28 April 2025, Council extended the services of APP until 31 August 2025 using the "extenuating circumstances" provision within the Act.

The introduction of APP into the project has added significant industry expertise and bolstered Council's project management capacity on a project that is continuing to experience unusually high Request for Information (RFIs) Extension of Time Claims (EOTs) and Variation claims. The total value of variation claims received to date exceeds \$146m. A significant proportion of these claims have been addressed through the work of APP.

APP has also been instrumental in assisting Council in responding to an Adjudication Claim lodged by Icon under the NSW Building and Construction Industry Security of Payment Act 1999 in late 2024. The services of APP will also be essential to Council in relation to other legal action that is currently on-foot in the Supreme Court of NSW.

In addition, a senior representative from APP is now a member of Council's Project Steering Committee, providing construction management and contract advice in accordance with the

Independent Project Review undertaken in December 2022.

It is proposed to extend the services of APP until the 30 November 2025 using the “extenuating circumstances” provision within the Act, which will cost a further \$261,680 (excl GST).

CPM Pty Ltd – Programming Services

CPM was initially engaged for programming services for the NSOP redevelopment project through a quotation process in late 2023. At its meeting on the 28 April 2025 Council approved the extension of CPM to 31 August 2025 using the “extenuating circumstances” provision within the Act, noting the anticipated costs would place the total commitment with CPM of above the public tender threshold of \$250k (incl GST).

CPM has had extensive involvement in the project and has been critical in the assessment of 169 Extension of Time claims that Icon have submitted to date. CPM was instrumental in assisting Council in responding to an Adjudication Claim lodged by Icon under the NSW Building and Construction Industry Security of Payment Act 1999 in late 2024. The services of CPM will also be essential to Council in relation to other legal action that is currently on-foot in the Supreme Court of NSW.

It is proposed to extend the services of CPM until the 30 November 2025, “extenuating circumstances” provision within the Act which will cost a further \$7,080 (excl GST).

Bluestone Management (Australia) Pty Ltd – Quantity Surveying Services

In October 2019 Council entered into a Contract (9/2020) with BSM to provide Quantity Surveying (QS) services for the North Sydney Olympic Pool (NSOP) redevelopment. The original contract value was \$83,420 (excl GST) with a contingency of \$8,342, approved at the Council meeting on the 23 September 2019.

On the 12 October 2021, the General Manager approved an extension to the original fee proposal of \$4,000 per month (excl GST) for the assessment of variations. At the time it was believed that the project had 16 months remaining until completion in February 2023. This resulted in the total anticipated contract value being increased to \$200,780 (excl GST), which included a contingency of \$6,400(excl GST).

At its meeting on the 12 February 2024 the Council was provided with a report that included a detailed budget outlining anticipated project costs to completion for the NSOP redevelopment. The budget proposed total cost of \$328,900(excl GST) for QS services.

The NSOP redevelopment project has been the subject of over 540 variation claims with a total submitted value of over \$146m, which does not include the 129 variations that are known and yet to be submitted by Icon. The services of BSM have been crucial in the assessment and valuation of the variation claims that have been submitted and those that are still to be submitted, a number of which have been notified and date back to 2021.

BSM have also been engaged to review, assess and certify monthly payment claims, providing assurance to Council in relation to the acquittal of public funds.

BSM involvement since 2019 gives them an intimate knowledge of the project and details of variation claims that have been made to date. The engagement of alternate QS to provide these services at this late stage would not be considered good value for money given they would need to avail themselves of project history and all claims to date.

It is proposed to extend the services of BSM until the 30 November 2025, “extenuating circumstances” provision within the Act which will cost a further \$31,600 (excl GST).

Contract Insurance Extension

Council undertook to provide Works Insurance for the NSOP redevelopment project, which is typically taken out by the contractor. These costs weren’t included within the original project budget, however Council subsequently made budget adjustments to include this item, to 31 July 2025. The delay of Practical Completion and handover to Council has required the extension of this policy at an additional cost of \$270,757(excl GST) to cover works under construction until the anticipated date for Practical Completion of 18 November 2025.

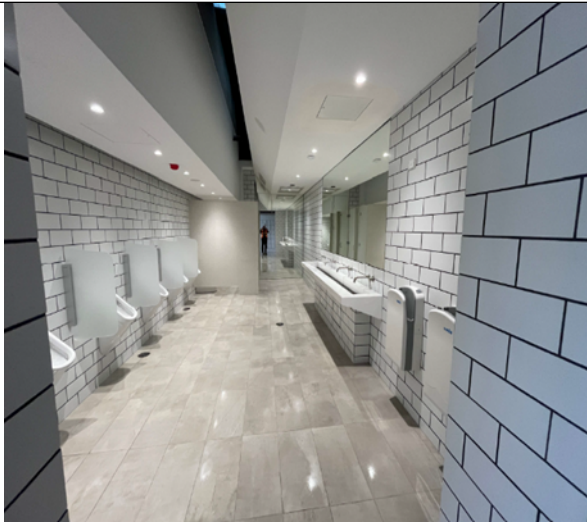
Total Costs to Completion

The total project commitments remain within the forecast costs to completion of \$122m, including the aforementioned extension to consultancies and Contract Works insurance. It should be noted that this forecast was provided to Council in February 2024, with an anticipated date for project completion of December 2024 and that there are a significant number of variation either under assessment or to be submitted that will place further pressure on the allocated budget for this project.

Photographs



50m Pool



Level 1 Male Toilets



Level 1 Change Rooms



Ripple Café



25m Indoor Pool



Gym