

## Item 5.

### Contract Variations - Pymont Community Centre Upgrade

File No: X038743

#### Summary

This report seeks variations to two existing contracts and additional funds to increase the project budget for the Pymont Community Centre Upgrade works.

The Pymont Community Centre is located on the site of the former Pymont Public School on the corner of John and Mount Streets, Pymont. The former school building, grounds and fences are listed heritage items. The Centre opened in 1993 and currently includes a childcare centre operated through the City's Accommodation Grants Program, an Outside School Hours Care (OSHC) service operated by the City, a Library Link, a community library, a small community gym, a community hall on the ground floor and an additional community room on the first floor.

In June 2020, Council approved the scope for the upgrade of the Pymont Community Centre. A revised and expanded scope of work was developed following a review of the existing building condition and feedback from community groups and approved by Council in July 2021.

The City entered into a contract with Welsh and Major Architects Pty Ltd (Welsh and Major) in November 2020 to provide design and construction stage services for the Pymont Community Centre Upgrade works.

In September 2022, the City entered into a contract with Belmadar Pty Ltd (Belmadar) for the construction of the Pymont Community Centre Upgrade works. Demolition of the existing building and strip out of the Heritage Building has been completed and the construction of the new building is progressing.

During construction, significant latent conditions arising have resulted in the identification of additional scope to both the new build and the heritage buildings. The cost to complete these additional works exceeds the available contract contingency and project budget previously approved by Council.

This report recommends that Council approve additional contract contingency for the contracts with Welsh and Major Architects and Belmadar and that Council approve additional funds to increase the project budget.

## **Recommendation**

It is resolved that Council:

- (A) approve additional contract contingency for the construction contract with Belmadar Pty Ltd for construction of the Pymont Community Centre Upgrade works, as outlined in Confidential Attachment A to the subject report;
- (B) approve additional contract contingency for the head design consultant contract with Welsh and Major Architects Pty Ltd for additional design and construction stage services for the Pymont Community Centre Upgrade works, as described in Confidential Attachment B to the subject report; and
- (C) approve the additional funds sought for the Pymont Community Centre Upgrade works as detailed in Confidential Attachment A to the subject report.

## **Attachments**

**Attachment A.** Financial Implications (Confidential)

## Background

1. The Pyrmont Community Centre is located on the site of the former Pyrmont Public School on the corner of John and Mount Streets, Pyrmont. The subject site is listed as an item (no. I1237) of local heritage significance in Schedule 5 of the Sydney Local Environmental Plan (LEP) 2012, described as 'Former Pyrmont Public School including interiors, fences and grounds'.
2. The City purchased the site in the early 1990s and undertook refurbishment works that included the construction of a two-storey extension, and the conservation and adaptive re-use of the former school buildings and grounds for childcare and community use. The Pyrmont Community Centre was opened in 1993.
3. The Centre includes a childcare centre operated through the City's Accommodation Grants Program, with service approval for 40 children per day, an Outside School Hours Care (OSHC) service operated by the City, a Library Link, a community library, a small community gym, a community hall on the ground floor and an additional community room on the first floor.
4. In June 2020, Council endorsed the recommended scope for the upgrade of the Pyrmont Community Centre. This scope included an access upgrade to provide accessible entry and lift access to all levels; a gym upgrade; conversion of the existing gym cardio room to new community rooms; conversion of the Outside of School Hours Care Homework Space to 'shared' Community Room; and an upgrade to the existing level one public toilets.
5. In November 2020, Welsh and Major Architects were engaged to undertake the design and documentation for the Pyrmont Community Centre Upgrade. Additional opportunities were identified from a review of the existing building condition, and from feedback from community groups. Required compliance upgrades were also identified. The recommended scope was amended to include new 60 sqm dedicated community room; new ground floor office and public toilets; fire services upgrades; and refurbishment of all community rooms to provide a holistic upgrade of the community centre.
6. In response to the comments received from the Design Advisory Panel, a revised scope was proposed, which included demolition of the unsympathetic 1990s building. Council endorsed this revised scope of work in July 2021. The endorsed project scope includes an additional 60 square metre community room, an accessibility upgrade including the installation of a lift between the ground and first floors, a new entry foyer, new ground floor offices and public toilets, a new gym area, an upgrade of the first floor showers and the addition of new toilets on that floor, conversion of the existing gym cardio room into a dedicated community space, refurbishment of the existing main community hall, library link and first floor community room, and an upgrade of the Outside School Hours Care children's program and courtyard play equipment.

**Construction Works**

7. A construction contract for the works was awarded by Council to Belmadar Pty Ltd in June 2022. Site possession was provided in September 2022. Demolition of the unsympathetic 1990s building and the strip out of the internal partitions to the heritage buildings have since been completed under the contract.
8. During excavation works, a well was encountered as an unexpected find. All excavation works were required to cease and the Heritage Council of NSW (Heritage NSW) was notified in accordance with the condition of consent. A Section 146 notification was prepared by the heritage consultant that assessed the well as being of Local Heritage Significance. The notification advised that all other monitoring of the site and remaining excavation by the archaeologist would be in accordance with a Section 139 "self-assessment". The well location was surveyed and identified to be under the new building. Heritage NSW required protection to be installed over the well, changes to the structural design of the slab and the inclusion of a new interpretation sign.
9. On completion of the bulk excavation, the geotechnical engineer inspected the excavation and noted a steeply inclined cut in the excavated face near the southern boundary. This required the originally free-standing wall along this elevation to be re-designed as a retaining wall.
10. Strip-out of the heritage building internal partitions and removal of the existing floor finish on Level 1 identified that the floor structure showed sign of unevenness. The contractor also undertook testing of the level 1 floor cavity for hazardous materials. Lead concentrations were identified that exceed the land use criteria. The remediation of the lead is recommended to allow works to proceed in a safe environment, including services reticulation within the floor cavity and leveling of the floor structure. All works to the level 1 area has ceased to avoid any disturbance of the lead dust until remediation can proceed safely.
11. Testing of the soil below the ground floor community hall identified levels of lead above the land-use criteria. The hygienist concluded that remediation of the lead contaminated soil and or control measures are required prior to safe access of the subfloor space by workers to carry out their respective scope of work.
12. All lead dust and soil remediation will be undertaken in accordance with the hygienist methodology and will include separate staged weekend works to accommodate tenant operations. The scope of works includes the temporary removal and reinstatement of the tenant's furniture, installation of temporary protection to the tenant areas, establishment of a decontamination unit, provision of air monitoring and a clearance certificate before and prior to each consecutive stage of work. A coordination meeting is scheduled with the tenant, hygienists and the contractor to confirm an agreed strategy.
13. Some heritage windows have been identified as being in poor condition and require remediation works to mitigate water egress into the building, and to preserve their integrity as heritage fabric in alignment with the refurbishment works. It is recommended to undertake these works during the current construction works.
14. The forecast cost to complete the additional works outlined above and as detailed in Confidential Attachment A exceeds the available contract amounts previously approved. Additional funds will also be required to increase the project budget to allow for these latent works.

## Key Implications

### Strategic Alignment - Sustainable Sydney 2030-2050 Continuing the Vision

15. Sustainable Sydney 2030-2050 Continuing the Vision renews the communities' vision for the sustainable development of the city to 2050. It includes 10 strategic directions to guide the future of the city, as well as 10 targets against which to measure progress. This report is aligned with the following strategic directions and objectives:
  - (a) Direction 6 - Vibrant Local Communities and Economies - the project will support increased community participation and provide improved access for the community in the Pyrmont area.

## Financial Implications

16. Additional funds are required for this project, as detailed in Confidential Attachment A.

## Relevant Legislation

17. The tenders were conducted in accordance with the Local Government Act 1993 and the Local Government (General) Regulation 2021.
18. Local Government Act 1993 - Section 10A provides that a council may close to the public so much of its meeting as comprises the discussion of information that would if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business.
19. Attachment A contains confidential commercial information of the contractor and contingencies which, if disclosed, would:
  - (a) confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business; and
  - (b) prejudice the commercial position of the person who supplied it.
20. Discussion of the matter in an open meeting would, on balance, be contrary to the public interest because it would compromise the City's ability to negotiate fairly and commercially to achieve the best outcome for its ratepayers.

## Critical Dates / Time Frames

21. Works commenced onsite in September 2022.
22. Due to the impact of latent conditions outlined in the report, the Pyrmont Community Centre Upgrade works is now forecast for completion in June 2024.

## Options

23. Alternative options to the lead remediation of the heritage buildings have been considered including to retain or limit the disturbance of the lead dust. This option is not recommended as it would result in the redesign of some of the internal spaces and require an extensive number of unsympathetic service mounted conduits onto the internal Heritage Fabric. The uneven floors would also remain, which would pose a trip hazard and not be in alignment with The City's accessibility policy. Further, these options would not be endorsed by the Heritage consultant and would impact the ongoing maintenance of the facility.
24. Closure or relocation of the tenant was not deemed viable to undertake the lead remediation works in a shorter time frame during the week. The alternative is for lead dust remediation to the level 1 floor cavity to be undertaken on weekends as the tenant operates Monday to Friday 7.30am to 6pm.
25. Alternative options to the heritage windows remediation, would be to retain as existing. This option is not recommended as this will not address the issue of water ingress to newly refurbished areas and will delay to future budgets, the necessary maintenance of key items of heritage fabric.

## Public Consultation

26. During construction, there will continue to be close liaison between property owners, local businesses and the tenant (SDN Childcare Services), City staff and the contractors to minimise disruption to properties in the area. The contractor has a Community Liaison Officer in place for the project.

## KIM WOODBURY

Chief Operating Officer

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