

10. BUS EXCHANGE AND RELATED PROJECTS UPDATE

The Committee considered a report updating progress on the Bus Exchange and related projects. The report noted that the project was financially in good shape with 65% of cost determined and described the original arrangements for completion of the building's shell and Council fitout.

The report noted that the original contracts provided for the building shell to be completed by 4 November 2000 with the Council fitout to commence thereafter for completion by April 2001. This would have allowed for the shell to be finished with standard ceiling, wall and lighting finishes which would then possibly have been replaced with the final fitout items if a different standard was required. It noted that as fitout design had progressed it had become evident that standard finishes would not be appropriate and if the project proceeded as originally anticipated the cost of rework fitout might be \$300,000.

The report suggested that these items should be deleted from the shell contract and transferred to the final fitout contract, at no additional cost, thus removing the potential for conflict with service trades and the possibility of additional costs in rework.

The Committee considered that option 3 as detailed in the report ie the Council settle the contract with AB Investments Ltd on the "super structure" rather than the completed shell and reduce the settlement amount from approximately \$17.6M to \$15.7M with a corresponding increase in the Council fitout from \$2.1M to \$4.0M to be the best option.

It therefore **resolved** that the contract variation described as option 3 in the report be endorsed.