

APPENDIX O

Quantity Surveyor's Certificate of Cost



5 February 2013

Howard Morris
Project Director
Health Infrastructure
Level 8,
77 Pacific Highway
NORTH SYDNEY NSW 2060

Dear Howard,

**Wagga Wagga Base Hospital Redevelopment – Phase 2 Portion B & Phase 3
Capital Investment Value (CIV)**

As requested, we have prepared the attached report for the purposes of establishing the Capital Investment Value (CIV) for the above development.

In summary, our assessment of CIV is in the order of \$171.1m in accordance with the definition of Capital Investment Value included in Clause 3(2)(a) of State Environmental Planning Policy (Major Development) 2005.

You are referred to the report for full details including information relied upon.

We trust this satisfies your immediate requirements. However, should you have any queries please do not hesitate to contact the writer at your earliest convenience.

Yours faithfully



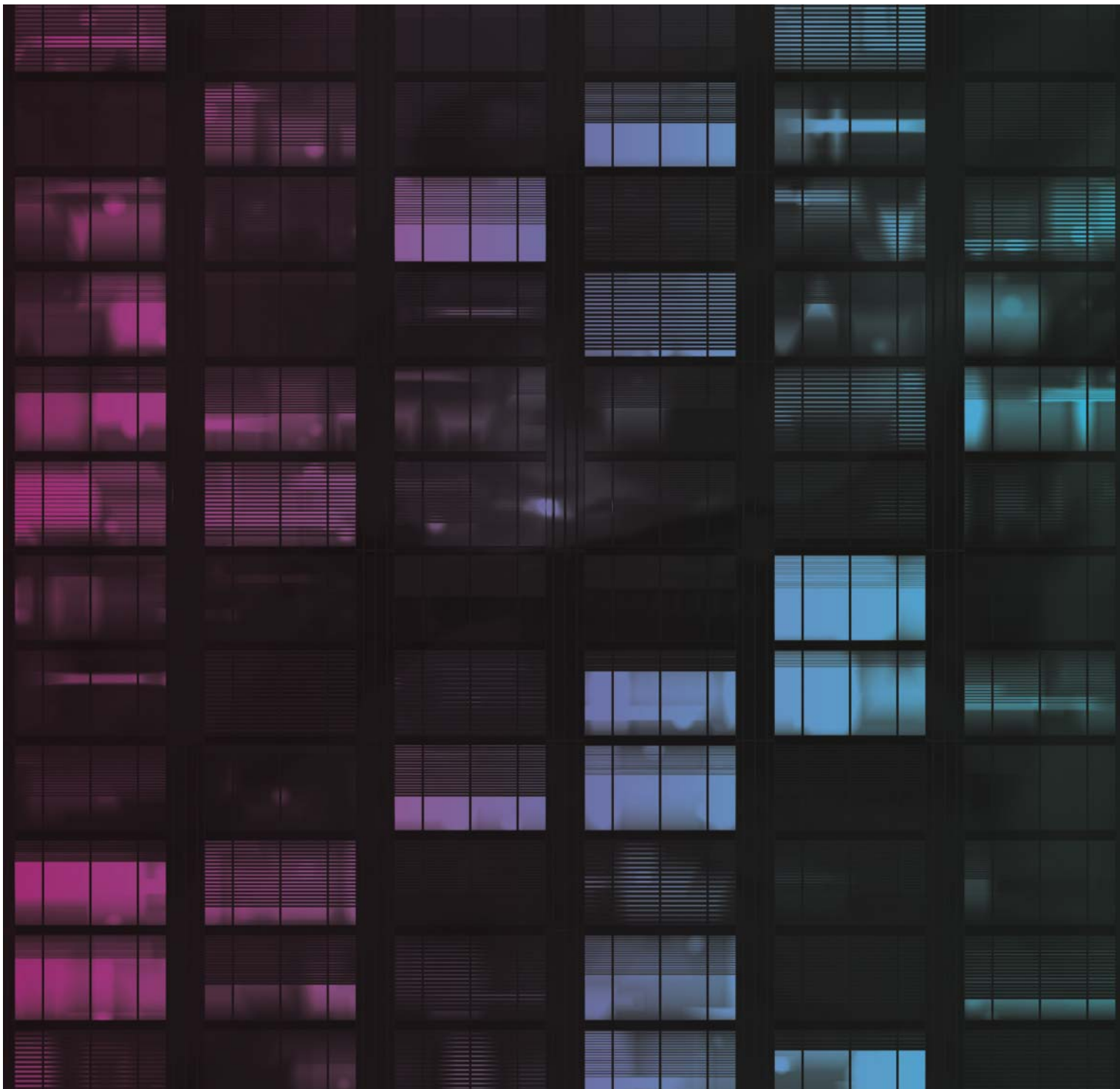
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Wagga Wagga Base Hospital Redevelopment

Phase 2 Portion B & Phase 3

Capital Investment Value (CIV) - Report



Wagga Wagga Base Hospital Redevelopment Phase 2 Portion B & Phase 3

Capital Investment Value (CIV) - Report

Prepared for

Howard Morris, Health Infrastructure

Prepared by

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5 February 2013

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Quality Information

Document Wagga Wagga Base Hospital Redevelopment Phase 2 Portion B & Phase 3


Ref 27428

Date 5 February 2013

Prepared by Gavin Walpole

Reviewed by Doug Rayment

Revision History

Revision	Revision Date	Details	Authorised	
			Name/Position	Signature
R00	05-Feb-2013	Initial issue	Doug Rayment	

Project Contacts	
Client:	Health Infrastructure
Project Manager:	Health Infrastructure
Architect:	Billard Leece
Structural Engineer:	Mott MacDonald
Services Consultants:	Stenson Varming - Electrical / Mechanical /Vertical Transport ACOR - Hydraulics
Facade Consultant:	Mott MacDonald
Cost Manager:	Davis Langdon

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1.0 Introduction

Davis Langdon has been engaged by Health Infrastructure to provide an estimate of the Capital Investment Value for the proposed Phase 2 Portion B and Phase 3 of the Wagga Wagga Base Hospital Redevelopment which includes the following scope of works:

Phase 2 Portion B

Acute Hospital Building approximately 25,000m² over seven storeys with helipad (G + 6 + H) providing the following departmental areas:

- Inpatient Cluster
- Hot Floor Cluster including Theatres
- Support Cluster
- Ambulatory Interface Cluster
- Rehabilitation & Ambulatory Cluster (Renal)

Phase 3

Infrastructure works for the Wagga Wagga Base Hospital Redevelopment including the following:

- Demolition of existing Ward Building
- North Entry Canopy to Phase 2 Portion B Acute Hospital
- Photovoltaic cells to North Entry Canopy
- Works to existing Lewis House
- Works to existing CSB including scope associated with BCA compliance
- Infrastructure Civil works within the site boundary
- Hard and soft landscaping
- Civil works outside the site boundary

2.0 Capital Investment Value (CIV)

Definition

Capital Investment Value (CIV) is defined by the *Environmental Planning and Assessment Regulation 2000 – Reg 3*, as required by the *State Environmental Planning Policy Amendment (Capital Investment Value) 2010* to be:

“Capital Investment Value of a development or project includes all costs necessary to establish and operate the project, including the design and construction of buildings, structures, associated infrastructure and fixed or mobile plant and equipment, other than the following costs:

- a) amounts payable, or the cost of land dedicated or any other benefit provided, under a condition imposed under Division 6 or 6A of Part 4 of the Act or a planning agreement under that Division,
- b) costs relating to any part of the development or project that is the subject of a separate development consent or project approval,
- c) land costs (including any costs of marketing and selling land),
- d) GST (within the meaning of A New Tax System (Goods and Services Tax) Act 1999 of the Commonwealth).”

Calculation of CIV

Davis Langdon has prepared Schematic Design Cost Plan C1 dated 31 January 2013 for the development identifying cost of construction works which forms the basis of the total Capital Investment Value of \$171,062,045 which may be summarised as follows:

<u>Phase 2 Portion B</u>	
Estimated Construction Cost including ICT	110,444,739
Design Contingency	4,912,981
Preliminaries including Supervision & Margin	21,024,412
 <u>Phase 3</u>	
Estimated Construction Cost	8,665,000
Design Contingency	460,926
Preliminaries including Supervision & Margin	1,672,600
 Sub-total – Construction Works	 \$147,180,658
Statutory Fees	Excluded
Professional Fees: Phase 2 Portion B	14,521,598
Professional Fees: Phase 3	3,985,285
Development Management Fees: Phase 2 Portion B	4,924,376
Development Management Fees: Phase 3	450,548
Escalation beyond February 2013	Excluded
Finance Costs	Excluded
Long Service Leave based on 0.35% of Gross Construction Cost	Included
 Sub-total – Applicable Development Costs	 \$23,881,807
 TOTAL ESTIMATED CIV	 \$171,062,465

3.0 Information Relied Upon

In preparing this report, Davis Langdon has relied on information referenced in Schematic Design Cost Report C1 dated 31 January 2013 prepared by Davis Langdon.

4.0 Development Notes

Programme

The Schematic Design Cost Plan C1 is based on rates and allowances as at January 2013.

The proposed duration of the works based on 'Project Procurement Review for Phase 2, Phase 2 to 3 and Phase 3 Works' prepared by Health Infrastructure dated 4 December 2012 are noted hereunder.

- Phase 2 Portion B: November 2013 to July 2016
- Phase 3: June 2016 to September 2017

Statutory Fees

Statutory fees are excluded from the calculation in accordance with the amended definition.

Professional Fees

We have based the Professional Fees on the allowances detailed in the Schematic Design Cost Plan C1 dated 31 January 2013 which comprise the following:

1. Professional fees
2. Quantity Surveying Fees

Development Management Fees

We have based the Development Management Fees on the allowances detailed in the Schematic Design Cost Plan C1 dated 31 January 2013 which comprise the following:

1. Local Health District Costs
2. Health Infrastructure Management Costs

Contingencies

The calculation of CIV includes the following contingencies:

1. Design Contingency in the sum of \$5,373,907.

Escalation

No allowance has been included for escalation beyond January 2013.

Finance Costs

Finance costs are excluded from the calculation in accordance with the amended definition.

5.0 Specific Exclusions

The following works have been specifically excluded from the estimate of the Capital Investment Value for the purposes of this report:

1. Early Works Package 1
2. Phase 1 Mental Health
3. Enabling Works Package 2
4. Phase 2 Portion A – Opioid / Mortuary / Asset Management / Engineering
5. Major Equipment
6. Loose Furniture, Fitments and Equipment
7. Planning Contingency
8. Construction Contingency
9. Executive Contingency
10. Escalation of costs beyond February 2013
11. Local Authority Fees
12. Authority Fees
13. Land Costs, Legal Fees and Holding Charges
14. Goods and Services Tax

6.0 Report Parameters

1. This report is provided for the purposes of the named party only and must not be used by any third party for any other purpose whatsoever without the prior written consent of Davis Langdon Australia Pty Limited.
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