

APPENDIX O

Quantity Surveyor's Report



CAPITAL INVESTMENT VALUE (CIV) REPORT

Kempsey District Hospital Redevelopment

Prepared for

Health Infrastructure



HEALTH INFRASTRUCTURE
NSW HEALTH

15th May 2013

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1.0 INTRODUCTION

Altus Page Kirkland has been requested by the Health Infrastructure to prepare a Capital Investment Value (CIV) report for the proposed Redevelopment of Kempsey District Hospital.

The project includes the following scope of works:

- Phase 2A Works – Service Road & Compound, Service Infrastructure & Connections, River Street Carpark
- Phase 2B Works – Demolition and Relocation of Existing Hospital Services (Incl Refurbishment)
- Phase 3 Works – Demolition, New Building and Refurbishment of Existing Buildings

For the purposes of calculating the Capital Investment Value, only Phase 3 works above have been considered.

2.0 CAPITAL INVESTMENT VALUE

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

Altus Page Kirkland has prepared a Scheme Design Cost Plan dated 19th March 2013 for the development identifying cost of construction works which forms the basis of the estimated total Capital Investment Value of **\$61,497,276**, broken down as follows:

Item	Description	Cost (\$)
1	Net Construction Cost: - Phase 3 Demolition (Bldg 9B & 12) - \$53,844 - New Build Works - \$38,063,533 - Refurbishment Works - \$4,324,908	\$42,442,285
2	Preliminaries & Margin	\$6,956,291
3	Design Contingency	\$2,220,000
	Sub Total Construction Works	\$51,618,576
4	Statutory Fees	Excluded
5	Professional Fees	\$7,610,000
6	Development Management Fees	\$2,268,700
7	Escalation beyond March 2013	Excluded
8	Finance Cost	Excluded
9	FF&E / Major Medical Equipment / ICT	Excluded
10	Long Service Levy based on 0.35% of Gross Construction Cost	Included
	Sub Total Applicable Development Costs	\$9,878,700
	TOTAL ESTIMATED CIV	\$61,497,276

We note that current Early Works included under the REF are Excluded from the scope of works and costs above, as instructed.

3.0 INFORMATION USED

Altus Page Kirkland has relied upon information, assumptions and exclusions referenced in Section 2.0 Basis of Estimate contained within the Scheme Design Cost Plan dated 19th March 2013, prepared by Altus Page Kirkland.

4.0 DEVELOPMENT NOTES

Program

We note the Scheme Design Cost Plan is based on rates and allowances as at March 2013.

The proposed duration of the construction works based on a commencement date of April 2014 and a completion date of April 2016.

Statutory Fees

We note 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 Scheme Design Cost Plan which comprise the following:

- Professional Consultant fees

Development Management Fees

We have based the Development Management Fees on the allowances detailed in the Scheme Design Cost Plan dated 19th March 2013 which comprise the following:

- Health Infrastructure Management Costs
- Local Health District Costs

Contingencies

The calculation of CIV includes the following contingencies:

- Design Contingency in the sum of \$2,220,000

Escalation

No allowance has been included for escalation beyond March 2013.

Finance Costs

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

5.0 EXCLUSIONS

1. Land acquisition and holding cost
2. Agent and Legal Fees
3. Local Authority Fees and Charges
4. Latent site conditions, etc.
5. GST
6. Early Works Package
7. Demolish Building 6 (Mortuary)
8. Demolition of Helicopter Fuel Tank
9. Modifications or alterations to Helicopter perimeter fence
10. Decanting cost associated with the relocation of the Blood Bank
11. Temporary relocation of Health Promotion, Heti, Aboriginal Health, Dental, Drug & Alcohol.
12. Loose FF&E. Major Medical Equipment and ICT
13. Planning Contingency
14. Construction Contingency
15. Executive / Client Contingency
16. Escalation beyond March 2013

6.0 REPORT PARAMETERS

Please note 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 Altus Page Kirkland.

This report has been prepared from documentation and/or information provided to Altus Page Kirkland by third parties in circumstances where Altus Page Kirkland

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- b. Do not, in any way, warrant the veracity and/or accuracy of the said documentation and/or information; and
- c. Do not, in any way, adopt the said documentation and information as our own.

Altus Page Kirkland note this report is an expression of opinion based upon the documentation and/or information provided by third parties and Altus Page Kirkland expressly disclaims any liability to the named party and any third parties where the documentation and/or information is found to be untrue and/or inaccurate in any way.

Please note the following Project Contacts at the time of Scheme Design:

Client:	Health Infrastructure
Project Manager:	Johnstaff Projects
Architect:	BVN Architects
Cost Manager:	Altus Page Kirkland
Structural Engineer:	Enstruct
Hydraulic & Fire Consultants:	Aurecon
Electrical Consultants:	Umow Lai
Mechanical Consultants:	Umow Lai
Facade Consultants:	Umow Lai
Traffic Consultants:	GTA