

CAPITAL INVESTMENT VALAUTION REPORT for St Marys Inland Container Terminal, NSW

Client: Pacific National



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Contents

Executive Summary	3
Order of Cost Information	3
Exclusions.....	5
Risks	6
Appendix A – Capital Investment Valuation	7

Document Control

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22/07/2018	1.0	Capital Investment Valuation

Distribution

<u>Date</u>	<u>Name</u>	<u>Organisation</u>
24/07/2018	Richard Johnson	Pacific National

Executive Summary

Chrysalis Quantity Surveying was engaged on behalf of Pacific National's (PN) to advise on the proposed freight transport facility at St Marys Inland Container Terminal. The purpose of this estimate is to inform the Capital Investment Value (CIV).

Total project value table.1

	Value
Construction works	\$ 25,680,000
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	\$ 25,680,000
Planning	\$ 642,000
Contingency	\$ 3,852,000
Client Costs	Excluded
Professional fees	\$ 762,000
Mobile Plant	Excluded
SUB TOTAL	<hr/>
	\$ 30,936,000
Escalation	\$ 2,276,000
SUB TOTAL	<hr/>
	\$ 33,212,000
ESTIMATED TOTAL COMMITMENT	<hr/>
	\$ 33,212,000

Order of Cost Information

The cost plan is based upon design information and quantities provided by BG & E Engineers. The following information was provided:

- SK-C -0009 Rev B (Concept Design Phase 1 and 2 General Arrangement)
- SK-C -0010 Rev B (Concept Design Phase 1 and 2 Hardstand and Track Layout)
- SK-C -0011 Rev B (Concept Design Phase 1 General Arrangement)
- SK-C -0012 Rev B (Concept Design Phase 1 Hardstand and Track Layout)
- SK-C -0015 Rev A (Concept Design Phase 1 and 2 Pavement Plan)
- SK-C -0016 Rev A (Concept Design Phase 1 Pavement Plan)
- Concept Quantities Rev A

In compiling the order of costs, we have made assumptions where there is currently insufficient detail. The level of design detail is high level with limited information, this has led to Chrysalis making a series of assumptions. We have assumed the works will be procured via a design and construct contract with the Client completing the necessary works to get planning and associated approvals. We have assumed that a minimum of 3 contractors would be invited to compete on the Design and Construction Tender.

The costs included within the cost plan have been calculated based on benchmark rates from projects of a similar nature. At this stage we have excluded costs for specialist equipment required in order for the transport facility to operate (Mobile Plant).

The order of costs has been broken down into the following elements:

- Preliminaries
- Earthworks
- Civil Works
- Utility Services
- Pavement Areas / Access Roads
- Rail Infrastructure sidings
- Buildings
- Signage and Landscaping

Detail and assumptions

Earthworks – We have assumed this will be preparation for the roads, hardstands and buildings. With no Geotechnical information available at this stage this could be a high risk item.

Utility Services – We have included allowances for installation of utility services including drainage, potable water, fire water, power, data, security and sewerage. We have assumed that there are services running along either Lee Holm Road or Forrester Road that can feed the site.

Roadways – We have allowed for internal access roads with main entry stemming from Lee Holm Road for trucks and light vehicle access and egress movements via Forrester Road. Upgrades to these roads have been allowed for but as the requirements of the upgrades are not known this is a medium risk item.

Rail infrastructure sidings - We have allowed for loading and unloading of trains accessed via the existing rail which traverses the site. The costs include for taking up and replacing the existing track and the additional of track and turnouts. All track rates include clear and grub, topsoil strip, site prep, formation prep, minor earthworks, ballast, track rail and sleepers. We have excluded for any signalling and commissioning, if this is required we would need to know the extent of the signalling to be introduced. We have included for 5 new turnouts as indicated and a new level crossing.

Buildings – We have allowed for typical tilt up high bays warehouses for the Wash Down and Repair areas along with insitu typical building for the Administration building. We have doubled the area for Administration from 200m² to 400m² as it is not thought that 200m² will be sufficient to accommodate all the necessary requirements to accommodate increase staff and freight handling.

Signage and Landscaping – We have included allowances for these items, directional signage around the site and local access roads, with landscaping allowed for around the Administration building, Gate house and minimal soft landscape works to the entrances/exits for the road access.

Quantities

The quantities used for the purpose of this report are based upon the information provided by the concept design completed by BG & E Engineers. Chrysalis has carried out a review of the quantities and found no major discrepancies with the quantities.

In addition to the construction costs the following items have been included within the Estimated Total Costs. These will be monitored as the project progresses.

Planning at \$642,000 for professional fees, applications and studies to be undertaken to secure planning consent stage.

Design Contingency at 5% (\$1,284,000) to cover design changes and finalisation of design up to tender documentation stage.

Construction Contingency at 10% (\$2,568,000) to cover changes and unforeseen items during the construction period.

Professional Fees have been included at \$762,000.

Escalation has been included at \$2,276,000. Should the scope of works or the timeframe of the works to commence change from that advised then this will need to be reconciled.

Exclusions

- All costs exclude GST
- No allowance for rock breaking or blasting
- No allowance for land tenure/leasing
- No allowance for Native Title
- No allowance for Loco provisioning or refuelling on site
- No allowance for compressed air systems
- No allowance for out of gauge detectors
- No allowance for train weight or RFID systems
- No allowance for removal of contaminated or hazardous materials
- No allowance for protection or relocation of sewers on site
- Excavated materials to be disposed of onsite
- Land acquisition costs

Risks

The following key risks have been identified.

- Existing site conditions result in high cost of site preparation, contaminated by hazardous materials or rock, existing services to be diverted - HIGH
- Building areas exceeding the areas currently identified – LOW
- The building form and type of construction differs from the assumptions used to determine the elemental costs – HIGH
- Tender conditions are currently favourable when tendering construction projects. However with the project not due to go to tender until the 2018-9, there is a chance the market will change – MEDIUM
- Project delays, particularly in obtaining funding and approval to proceed. No allowances have been included to cover these items – HIGH
- Escalation in building costs – MEDIUM
- Additional scope items coming into the project– MEDIUM

Appendix A – Capital Investment Valuation

Capital Investment Valuation V1.0

Description	Quantity UOM	Total	Total
Preliminaries		2,130,000	
Earthworks		650,000	
Civil Works		1,170,000	
Utility Services		3,330,000	
Pavement Areas / Access Roads		9,600,000	
Rail Infrastructure sidings		6,270,000	
Buildings		2,310,000	
Signage and Landscaping		220,000	
TOTAL CONSTRUCTION COSTS			25,680,000
PLANNING			
TOTAL Planning	1 Item		642,000
DESIGN CONTINGENCY			
TOTAL Design Contingency	1 Item		1,284,000
CONSTRUCTION CONTINGENCY			
TOTAL Construction Contingency	1 Item		2,568,000
PROFESSIONAL FEES			
TOTAL Professional Fees	1 Item		762,000
CLIENT/OWNER COSTS			
Project Insurance	Excl		
Finance costs	Excl		
Legal fees	Excl		
Land costs	Excl		
TOTAL Client/Owner Costs			0
MOBILE PLANT			
Excluded			
TOTAL Mobile Plant			0
ESCALATION			
Based on BCI June 2018			
TOTAL Escalation			2,276,000
EXCLUSIONS, NOTES AND ASSUMPTIONS			
All costs exclude GST			
No allowance for rock breaking or blasting			
No allowance for land tenure/leasing			
No allowance for Native Title			
No allowance for Loco provisioning or refuelling on site			
No allowance for compressed air systems			
No allowance for for out of gauge detectors			
No allowance for train weight or RFID systems			
No allowance for removal of contaminated or hazardous materials			
No allowance for protection or relocation of sewers on site			
Excavated materials to be disposed of onsite			
No allowance for land acquisition costs			
No allowance for finance costs			
No allowance for legal fees			
TOTAL Exclusions, Notes and Assumptions			0
TOTAL FOR BUILDING			33,212,000