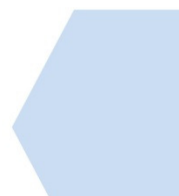




## **Technical Note 1 - Trunk Infrastructure Costing Methodology**

### **Redland City Council Local Government Infrastructure Plan**

**April 2017**





### Technical Note 1: Trunk Infrastructure Costing Methodology

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|           |         |           |              |               |

## Purpose

The purpose of this technical note is to provide clarity regarding the costing methodology used to determine the establishment cost of existing and future trunk infrastructure identified in the Redland City Council (RCC) Local Government Infrastructure Plan (LGIP) and Schedule of Works (SOW) model.

This technical note forms part of the RCC LGIP extrinsic material.

## Existing trunk infrastructure costing methodology

### Works costs

The establishment cost of existing trunk infrastructure works for all networks was determined using its replacement value contained in RCC's asset management database. For reporting purposes, this replacement value has been summarised by infrastructure item type and service catchment in the SOW model. This costing methodology is consistent with Statutory Guideline 03/14 (LGIPs).

### Land costs

The land value for certain existing parks that were acquired post 1990 and included in the previous LGIP/PIP has been included in the establishment cost of these existing parks. The land value for these existing parks was taken from Council's asset management register.

## Future trunk infrastructure costing methodology

### Works costs

All future trunk infrastructure projects for all networks are at the master planning or the "project identification" phase. The base construction costs for all future trunk infrastructure works were therefore estimated using unit rates taken from Council's asset management database. This methodology is consistent with Statutory Guideline 03/14 (LGIPs).

The SOW model user manual specifies a contingency rate range of 20% to 30% for projects at the project identification phase. For this reason, a contingency rate of 25% (mid-point of the specified range) was applied to base construction costs for all future trunk infrastructure works across all networks and the rates that are hard wired into the State's SOW model (that are dependent on project timing) were not adopted.

An on-cost rate of 15% was applied to base construction costs for all future trunk infrastructure works across all networks. The allowable range for on-costs stated in the SOW model user manual is 13% to 23%. The adopted on-cost rate of 15% is therefore towards the lower end of this range and is considered acceptable.

### Land costs

An on-cost rate of 3% was applied to future land costs for all networks to account for Council's costs of acquiring the land (including administrative and legal costs). This on-cost rate is considered appropriate.

No contingency was applied to land costs in accordance with the SOW user manual.