

# Minta Farm Infrastructure Contributions Plan (ICP) – Amendment C269

## CONCLAVE OF EXPERTS – COST ESTIMATES

### CONCLAVE STATEMENT

**Conclave Held:** 22 June 2020, 9:30pm-11:30pm.

**Reconvened:** 25 June 2020, 3:15pm-4:30pm and 01 July 2020, 2:30pm-4:00pm

**Location:** Microsoft Teams Online Meeting.

**Attendees:**


- Mark Fleming (MF) – Beveridge Williams
- Adam Charlton (AC) - Charlton Degg
- Michael Steer (MS) – Cardno
- Viraj Abeykoon (MS) – Cardno (Note-taker)
  
- Paul Hamilton (PH) – Casey City Council (Observer)
- John Tinkler (JT) – VPA (Observer)
- Ronan Tongs (RT) – Stocklands (Observer)
- Kerry Balci (KB) – Stocklands (Observer)

1 Our discussion focussed on our respective expert reports in regard to the following matters:

- a) It was agreed by the experts that If total estimates for the combined infrastructure items are within 5% regardless of specifics, the estimates agree and that the VPA/Cardno estimates will be adopted in the Final ICP:
- b) After discussion of matters raised in the relevant expert witness statements, it was agreed by the experts that the following items of difference would be investigated by the relevant experts:
  - Agreement that landscaping quantities need to be reviewed by all parties for unpaved area as per previous panel hearing recommendation. Cardno are to provide additional details on the current benchmark rate's allowance;
  - Agreement that Beveridge Williams are to review assumptions around earthworks quantities based on comments provided by Charlton Degg;
  - Agreement that Charlton Degg are to review drainage quantities in their estimates;
  - Agreement that Beveridge Williams are to review landscaping extent for IN-02, IN-03 and IN-04;
  - Agreement that all parties to review kerb and Channel quantities for IN-04 and IN-05.
  - Agreement that Beveridge Williams are to review drainage rates in the estimates;
  - Agreement that Cardno are to review traffic management rates and cost for IN-05;

- Agreement for Beveridge Williams to accept the higher figure for service relocations for IN-05 based on the information provided by Charlton Degg.
- Agreement that IN-05 will be constructed while open to traffic and Beveridge Williams are to review costs accordingly;
- Agreement that Charlton Degg are to cost Option 1 designs for IN-02 and IN-03;
- Discussions were had about contingency. Charlton Degg were of the opinion that a 15% contingency is at an inappropriate level given that each line item has, or should have, some level of embedded contingency within it, and that the level of background information is now well advanced and costings should be sufficiently accurate that a 5% contingency is reasonable. Charlton Degg propose to review and adjust, only on the basis that all parties can achieve a more similar cost comparison. Cardno maintain that the designs are not necessarily approved for construction and therefore 15% is reasonable.
- Due to the large variation and the changes agreed to be made by each of the experts, the experts agreed to reconvene on 25 June 2020 to further discuss where each of their estimates are relative to each other.

Signatures of Experts confirming agreement on items 1.1 a), b):

Agree	Disagree	Abstain
		

## 2 Points of discussion and potential agreement during the second meeting held 25 June 2020;

- a) During the initial meeting, discussions were had about pavement rates. Beveridge Williams raised that pavement rates are based on contracts that were generally the lowest price and noted that the estimates will be reviewed. Cardno stated that lowest rates are not indicative and could reflect "buying" of work by contractors with little work on their books and should be reviewed.

Cardno advised that its rates were based on tier 1 construction company rates. Charlton Degg and Beveridge Williams disagreed that tier 1 contractor rates are an appropriate reference for works which will inevitably (and historically) are carried out by a developer's

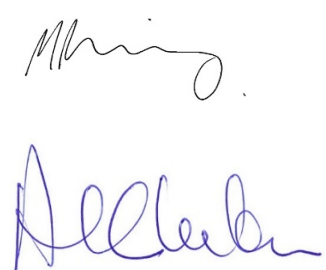
subdivision contractor, most of whom are prequalified to carry out works of this nature in any case.


Following the initial meeting, Cardno confirmed that rates are based on previous costing conclaves for similar works and not indicative of contractors necessarily. These rates have been reviewed and the allowance for subgrade improvement has been removed in consideration of the 15% contingency.

It was discussed that Cardno's pavement rates and pavement depths were indicative of a typical VicRoads deep lift pavement design depth. Beveridge Williams and Charlton Degg were of the opinion that Council would be the approving authority for all but potentially IN-01, and that a Council arterial pavement depth would be a more appropriate assumption for all projects with exception of IN-01. Cardno's pavement rates have been reviewed. It is noted that the PSP categorises this as a primary arterial pavement which will be a future Department of Transport/VicRoads road and thus needs to be treated in that manner.

- b) Discussions were had about landscaping allowances following the circulation of information as per the first meeting agreement. It was agreed that the landscaping and topsoil seeding allowance of \$34.86/m<sup>2</sup> was too high for what is required. Cardno agreed to revise the rate.
- c) Discussions were had about earthworks quantities. Beveridge Williams agreed to review assumptions around earthworks quantities based on comments provided by Charlton Degg. Charlton Degg note that whilst earthworks across the full 41 metre reserve width is unavoidable in practice due to the need to accommodate drainage, services and landscape requirements, it is not a principle of the benchmark to include earthworks for the ultimate carriageways, and therefore Charlton Degg believe alternative funding should, in principle, be provided for this.
- d) After discussion of matters, it was agreed by the experts that the latest recommended changes to ICP cost estimates related to C269 could potentially be accepted by all parties subject to the following items:
  - Beveridge Williams to review their rates for pavements and landscape allowances:
  - Charlton and Degg to review preliminaries, earthworks volumes and street trees.
  - Cardno to review traffic management allowance for RD-01 which was agreed would be built in a greenfield environment with minimal if any traffic management:
    - Cardno have reviewed the traffic management for this area. The concept of no traffic management does not comply with our safety ethos but acknowledge that this amount can be significantly reduced to reflect the predominant "greenfield" nature of the project.

Signatures of Experts confirming agreement on items 2 a), b) c) and d):

Agree	Disagree	Abstain
		

		
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- 3 Points of discussion and potential agreement during the third meeting held 01 July 2020;
- a) Beveridge Williams circulated an email with revised costings incorporating the changes to the pavement rates and landscape allowances, and suggested areas that both Charlton Degg and Cardno should revisit in their respective estimates to lower the costs.
- b) After discussion of matters raised in the previous meeting, it was agreed by the experts that the following items of difference would be investigated by the relevant experts:
- Beveridge Williams agreed to review their values allowances for landscape maintenance, temporary lighting, earthworks and re-sheeting:
  - Cardno agreed to review their rates for pavement excavation / disposal and pavement re-sheeting.
  - Cardno also informed that the rates for the industrial connector leg of IN-02 have been revised

c) Following the above changes, the overall estimates are as follows;

- For the Option 1 project combination;

	<b>Cardno</b>	<b>Beveridge Williams</b>	<b>Charlton Degg</b>
<b>IN-01</b>	\$ 3,818,293	\$ 3,948,124	\$ 4,024,111
<b>IN-02</b>	\$ 6,569,925	\$ 5,856,299	\$ 6,360,441
<b>IN-03</b>	\$ 5,098,310	\$ 4,884,449	\$ 5,052,993
<b>IN-04</b>	\$ 4,542,240	\$ 4,335,029	\$ 4,303,101
<b>IN-05</b>	\$ 9,449,248	\$ 8,669,098	\$ 9,030,704
<b>RD-01</b>	\$ 6,111,433	\$ 6,079,623	\$ 6,042,435
<b>Total</b>	<b>\$ 35,589,449</b>	<b>\$ 33,772,621</b>	<b>\$ 34,813,785</b>

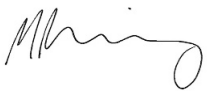
- Percentage differences for the Option 1 estimates combined are as follows;
  - Cardno and Beveridge Williams 5%
  - Cardno and Charlton Degg 2%;
  - Charlton Degg and Beveridge Williams 3%.
- For the Option 2 project combination;


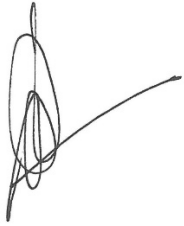
	<b>Cardno</b>	<b>Beveridge Williams</b>	<b>Charlton Degg</b>
<b>IN-01</b>	\$ 3,818,293	\$ 3,948,124	\$ 4,024,111
<b>IN-02-2</b>	\$ 5,781,915	\$ 5,252,326	\$ 5,558,127
<b>IN-03-2</b>	\$ 4,666,464	\$ 4,510,403	\$ 4,648,024
<b>IN-04</b>	\$ 4,542,240	\$ 4,335,029	\$ 4,303,101
<b>IN-05</b>	\$ 9,449,248	\$ 8,669,098	\$ 9,030,704
<b>RD-01</b>	\$ 6,111,433	\$ 6,079,623	\$ 6,042,435
<b>Total</b>	<b>\$ 34,369,593</b>	<b>\$ 32,794,603</b>	<b>\$ 33,606,503</b>

- Percentage differences for the Option 2 estimates combined are as follows;
  - Cardno and Beveridge Williams 5%
  - Cardno and Charlton Degg 2%;
  - Charlton Degg and Beveridge Williams 2%.

d) Accordingly, total estimates for both the Option 1 and Option 2 combinations are within 5%. The estimates therefore agree, and the VPA/Cardno estimates will be adopted in the Final ICP;

Signatures of Experts confirming agreement on items listed in 3 a) b) c):

Agree 	Disagree	Abstain
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4 Other points raised by experts

- a) Charlton and Degg raised their opinion that Culvert CU-01 has been significantly underestimated and should be reviewed. This item also needs to account for a significant and deep temporary outfall drain. This is a critical element of the proposed early works package.
- b) Charlton and Degg raised their opinion an alternative early works package should be considered. The alternative would include ICP projects RD-01 (from IN-04 to IN-01), IN-01 and IN-04. This package of works provides a connection through Minta to Kilora and Orchard Rise and the key connection to OShea Road. Delivering this package of works first as the early works package has significant benefits including:
  - a) A much quicker delivery program for the early works package, potentially in the order of 6 to 12 months.
  - b) Excellent detour opportunities under which IN-05 can be constructed. This would result in significantly reduced traffic management costs and construction risk, and result in a quicker construction period (less local disruption) for IN-05.
  - c) The reduction of the early works package value would in turn reduce bring forward funding costs.
- c) Charlton and Degg raised their opinion that the ICP should recognise that development has commenced within Minta Farm under an approved and gazetted PSP and interim approved ICP. Some works relating to the ICP road projects may need to be advanced for logical and practical reasons ahead of the final ICP approval. These works should be considered ICP works brought forward, and subject to reasonable assessment for reimbursement in due course

Signatures of Experts confirming agreement of status and actions listed on items listed in 4 a) b) c):

Agree	Disagree	Abstain
