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Document 2

NSW Aboriginal Land
Council

**Walgett Repair &
Maintenance Project -
Scope Confirmation**

Scoping Report

DRAFT 2

NSW Aboriginal Land
Council

**Walgett Repair &
Maintenance Project -
Scope Confirmation**

Scoping Report

August 2009

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1 Introduction

Arup has been appointed by NSW Aboriginal Land Council to confirm the scope of work for the Walgett Repair and Maintenance Project.

This Work Scope Confirmation Report (Report) has been produced by Arup following the inspection of seventy (70) houses in Walgett and in the Aboriginal reserves of Gingle and Namoi. The report includes a comprehensive scope of work for each of the houses and a cost estimate.

The Report will assist NSW Aboriginal Land Council (NSWALC) and Walgett Local Aboriginal Land Council (WLALC) to make an informed decision about the following items:

- Prioritisation of certain works
- Final scope of work per house / for the project
- Procurement Strategy
- Further budget requirements

2 Background

2.1 Background

NSWALC has entered into a funding agreement with the Commonwealth Government to undertake repair and maintenance (R&M) works on 70 properties for the WLALC. The properties are located in Walgett, and the nearby reserves of Gingie and Namoi.

A Project Work Group has been established which includes the WLALC (property owner), Murdi Paaki Housing (Property Manager) and NSWALC.

In late 2008 Housing NSW undertook a Condition Assessment Survey (CAS) of each of the houses. The findings were costed according to the Housing NSW Schedule of Components & Prices. Housing NSW produced a second document 'Property Report for Walgett LALC Housing', including the provision of shade, carports and house extensions, which has not been costed to date. Both documents formed the Housing NSW Program of Works (POW).

The POW did not provide the project team with the confidence that it was adequately quantified and priced and suitable as the basis for a tender document. Arup has been engaged to confirm the completeness of the scope and the accuracy of the costing developed by Housing NSW in advance of the delivery component on the works.

This will allow NSWALC to release a Request for Tender with the necessary amount of certainty in a competitive environment to maximise value for money.

2.2 Report Objectives

The two main objectives of the Report are to assist NSWALC and WLALC to make an informed decision about:

1. The final scope of work and
2. The procurement strategy for the delivery of the works.

2.3 Work Scope Confirmation Report

The Report is the main deliverable for the Walgett R&M Scope Confirmation project and will be the main tool to facilitate appropriate value management. The document includes:

- Detailed scope of work and specifications per house - including quantities of the separate line items and simple single-line floor-plans/elevations
- Cost estimate per house
- An analysis of the outcomes of the findings including:
 - a) A review of the scope outlined by NSWALC and provision of details of any additional works that have not been documented
 - b) Addressing potential budget shortfalls by prioritising work to be undertaken for the project
 - c) Addressing potential budget surplus by recommending additional works that could be undertaken for the project
 - d) Advising NSWALC how to maximise expenditure in general for the project and
 - e) Proposing a strategy and a preliminary program for the roll-out of the works to be undertaken.
- Based on the analysis, prioritising the works in the Tender Specification to match the budget available to NSWALC.

The Report includes specifications detailing a comprehensive Scope of Work that will bring all houses up to an adequate and relatively equal standard and a cost estimate for all properties, divided into trade and work packages. Given the budget constraints the pre-tender estimate is the most common and effective strategy to produce a tailored scope according to the available funds.

The considerations for this approach were:

- As the scope needs to be reduced, all stakeholders can make an informed decision about packages that can be easily taken out and the dollar-amount that is saved by taking the identified packages out
- The works that cannot be completed through this project are costed and can form a future repair and maintenance plan
- Additional funding can be sought for the remaining works if desired.

In addition to the scope of work the report makes recommendations in regards to the most appropriate procurement strategy to deliver the project as fast and as cost effectively as possible.

2.4 Budget*

The initial funding provided by FaHCSIA was \$2.3M including GST, \$2.09M excluding GST. After consultation with NSWALC the construction budget is [REDACTED]

Section 47G

	Incl. GST	Excl. GST
Initial budget	\$2,300,000.00	\$2,090,909.09
Administration	[REDACTED]	
Arup Stage 1		
Administration allowance		
Consultant Estimate**		
Remaining Construction Budget		

* TBC with NSWALC

Section 47G

** Fixed lump sum TBC following the scope confirmation

3 Scope and Methodology

3.1 Walgett R&M Project Scope

The Walgett R&M project includes 70 houses in Walgett and the Reserves of Gingie and Namoi. A list of all 70 houses including addresses is attached in Appendix A.

Upon reviewing the available documentation Arup anticipated that:

- 50% of the houses are in a **good** condition and only need minor repair up to \$20,000
- 40% of the houses are in a **fair** condition and will need repair and maintenance up to \$50,000
- 10% of the houses are in a **poor** condition and/or require extension and will need expenditure of more than \$50,000.

3.2 Methodology

Below we have outlined the methodology for the activities associated with each project phase. Arup has led and project managed every activity of the scope confirmation, but engaged Frank Takos & Associates (FT) as the architect and Rider Levett Bucknall (RLB) as the cost consultants.

Activity	Consultants involved
Start-up Phase	
• Reviewing the available documentation	Arup / FT
• Preparation of Project Plan	Arup
• Start-up meeting with the WLALC board members	NSWALC and Arup
• Arranging inspections with the individual tenants in a two week period	WLALC / Murdi Paaki Housing
On-site Phase	
• Inspections	FT / Arup Arup present during 50% of the inspections
Preparation of Specification	FT
Preparation of Cost Estimate	RLB
Closing Phase	
• Reviewing the outcomes	Arup
• Preparation of Draft Scoping Document, including summary, specifications and cost plan	Arup
• Review of Draft Scoping Document	NSWALC
• Finalising Scoping Document	Arup
• Community meeting to report back findings	NSWALC and Arup

3.3 Outcome

The start-up and inspection phase progressed as planned. It is noted that out of the 70 properties #13 Gingie reserve was identified as 'no work required', which left 69 homes to be inspected scoped and priced.

The Specifications turned out to be a much onerous document than estimated by the project manager and the architect, but the output was a very comprehensive document that will form the basis for part of the tender documentation.

The cost estimate was completed in time and will allow an initial scope reduction and further option analysis in consultation with NSWALC and WLALC.

4 Preliminary specification / Detailed Scope of works

4.1 Summary

The preliminary specification document 'Specification & Scope of Work Schedules' (Specifications) produced for NSWALC was prepared following the inspections and used to prepare the cost estimate.

Following value management and the final scope being agreed, the Specifications will be amended and adjusted according to the requirements of NSWALC and WLALC and this will form part of the tender documentation. This will be part of the Delivery Stage of the Walgett R&M Project.

4.2 Strategy/Approach

NSWALC provided the team with the Housing NSW POW, which combined the two following documents:

- Condition Assessment Survey (CAS)
- Property Report for Walgett LALC Housing

Both documents were reviewed and were used as the starting point to review the scope of works, but it must be noted that the inspections took place in late 2008, six months prior, and consequently some of the items identified were already rectified or new damages had occurred. During the inspections by the team, each line item was checked, amended and quantified or taken out as appropriate and some additional items were included. A single-line floor-plan diagram was produced for each house.

4.3 Outcome

The Specifications are not only the basis for cost estimate and later on for final specifications as part of the Tender Documentation, but detail a comprehensive Scope of Work that, which if completed, will bring all houses up to an adequate and relatively equal standard.

The Specifications also outline general requirements such as the standard of work, quality of materials or even specifies a particular product and includes drawing details for standard repairs that occurred in most of the properties.

The emphasis was to specify durable and robust materials that were easily maintained and cleaned i.e. in most homes vinyl was specified throughout, only if the home was in good order carpet was specified in bedrooms. In some cases a more expensive product was given the preference due to far superior durability i.e. metal versus fabric insect screen material and solid versus hollow-core doors.

The aim was to provide a document that will provide good workmanship with durable quality materials.

5 Cost Estimate

5.1 Summary

The cost estimate, in combination with the detailed scope of works, allows NSWALC and WLALC to value manage the scope of the Walgett R&M Project.

5.2 Strategy/Approach

The cost consultant visited several of the properties in Walgett, Gingie and Namoi when the inspections took place to get an understanding of the overall conditions of the houses.

The cost estimate is broken up in several ways and components:

- Costing per house
- Costing per location
- Total costing of all properties

Each of these components have separate line items for trade packages and works such as new fencing, shade sails and carports, which will allow a straight forward reduction of the scope as required to match the available budget.

In addition to the construction costs, the cost estimate includes:

- Preliminaries based on a 6 months delivery (details attached in Appendix C)
- Labour Utilisation Adjustment (labour component factored by 1.5)
- Contractor Margin of 10%
- Contingency of 10%

Labour Utilisation Adjustment:

A labour utilisation adjustment has been included as the contractors need to allow for an increased time effort. This can be caused by properties being occupied during the course of the works and tools, materials etc need to be removed daily from the individual construction site. It can also be caused by delays by properties not being accessible or available. By definition, a builder is qualified to manage multi-trade projects.

Contractor Margin:

Usually, a builder will engage and pay the trades for their work on the project and charge a fee or margin over and above the sub-trades costs.

The cost estimate is based on a six-month delivery period and delivered by a Head Contractor engaging the sub-trades. A detailed Basis of Estimate is included in Appendix B.

5.3 Outcome

The total cost for the Walgett R&M Project is estimated to be \$3,863,333.83 excl. GST, which is \$2,301,816.56 over the available budget (\$1,561,517.27).

Item	Costs (excl. GST)
Preliminaries (based on 6 months delivery)	\$438,560.00
Gingie	\$371,109.70
Namoi	\$1,058,894.60
Walgett Township	\$1,324,273.58
Contractor Margin (10%)	\$319,283.79
Contingency (10%)	\$351,212.17
TOTAL	\$3,863,333.83

Looking at the three locations Gingie, Namoi and Walgett township separately the average costs per location is:

Location	average costs (excl. GST)
Gingie (12 houses)	\$30,925.80
Namoi (21 houses)	\$50,423.55
Walgett township (36 houses)	\$36,785.37

The higher average cost in Namoi is related to larger requirement for shade sails and fencing, not necessarily to a worse condition of the properties compared to the other locations.

6 Value Management

6.1 Summary

An initial scope reduction to match the available budget was undertaken. However the findings were, that if there is no additional funding to be allocated, a strategy needs to be developed in consultation with NSWALC and WLALC to reduce the scope even further.

6.2 Strategy/Approach

The initial value management (**Initial Scope Reduction**) approach was to remove the following identified packages from the scope:

- Wish list
- Repair or Replacement of old fencing and new fencing
- Carports
- Shade sails

Even though the initial scope reduction achieved a saving of approximately \$1M, further options need to be explored to match the scope to the available budget of \$1.56M.

Options to be explored are

1. Initial delivery of Gingie and Namoi only, followed by Namoi when additional funding becomes available (refer to figures in **Option 1 – Split Delivery** below)
2. Deliver R&M to properties in poor condition only (refer to figures in **Option 2 – Priority Properties only**)
3. Consult with NSWALC / WLALC which tenants' pay rent and then deliver R&M to those properties only
4. Consult with NSWALC / WLALC which trade packages should be removed
5. Apply for further funding to deliver the complete scope or initially reduced scope.

We have not yet explored Options 3 to 5 as they require detailed consultation with NSWALC followed by WLALC.

6.3 Outcome

Initial Scope Reduction

The total cost for the Walgett R&M Project was reduced from the initial cost estimate of \$3,863,333.83 excl. GST to \$2,949,694.59 excl. GST, which is \$1,388,177.32 over the available budget (\$1,561,517.27).

Gingie	Cost (excl GST)
Gingie - overall Trade Total	\$371,109.70
Gingie - Wish List	(\$22,781.25)
Gingie - Carports	(\$0.00)
Gingie - New Fencing	(\$19,125.00)
Gingie - Shade Sails	(\$53,932.50)
Gingie - overall reduced Trade Total	\$275,270.95

Namoi	Cost (excl GST)
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Namoi - overall Trade Total	\$1,058,894.60
Namoi - Wish List	(\$101,293.75)
Namoi – Carports	\$0.00
Namoi - New Fencing	(\$301,626.75)
Namoi - Shade Sails	(\$91,800.00)
Namoi - overall reduced Trade Total	\$564,174.10

Walgett Township	Cost (excl GST)
Walgett - overall Trade Total	\$1,324,273.58
Walgett - Wish List	(\$35,637.50)
Walgett – Carports	(\$54,901.50)
Walgett - New Fencing	(\$37,638.00)
Walgett - Shade Sails	(\$36,337.50)
Walgett - overall reduced Trade Total	\$1,159,759.08

Below is the revised budget reflecting the initial scope reduction. The preliminaries are still based on a delivery time of 6 months as we do not expect a considerable change to the program. External works usually do not depend on any other works to be completed and there fore can be undertaken at any stage of the delivery parallel to other trade packages.

Revised Budget	Costs (excl. GST)
Preliminaries (based on a 6 months delivery)	\$438,560.00
Combined Trade Total (Gingie, Namoi, Walgett Township)	\$1,999,204.13
Contractor Margin (10%)	\$243,776.41
Contingency (10%)	\$268,154.05
TOTAL	\$2,949,694.59

Option 1 – Split Delivery

Following the initial scope reduction we have considered the option of a split delivery - Gingie and Namoi as one package and Walgett Township as another package. We would only recommend this option if there is additional funding available in the relatively near future.

The budget for the Walgett R&M covers comfortably the Gingie/Namoi package and could be delivered immediately. As soon as the additional funding becomes available the second package for Walgett Township can be commenced.

We have considered the shorter delivery time in the Preliminaries and estimate that both packages would take about 3 months to be completed.

Gingie / Namoi only	Costs (excl. GST)
Preliminaries (based on 3 months delivery)	\$219,280.00
Combined Trade Total (Gingie, Namoi)	\$839,445.05
Contractor Margin (10%)	\$105,872.51
Contingency (10%)	\$116,459.76
TOTAL	\$1,281,057.32

Walgett Township only	Costs (excl. GST)
Preliminaries (based on 3 months delivery)	\$219,280.00
Trade Total (Walgett Township)	\$1,159,759.08
Contractor Margin (10%)	\$137,903.91
Contingency (10%)	\$151,694.30
TOTAL	\$1,668,637.29

Option 2 – Priorities properties only

In consultation with the Architect we have listed the properties in all three locations that are in a poor to very poor condition.

The costs include the Labour Utilisation Adjustment:

	Urgency	Address	Costs (excl. GST)	Initial Scope Reduction	Revised Costs (excl GST)
1	urgent	1 Gingie Reserve, Walgett	\$27,622.25	\$0.00	\$27,622.25
2	urgent	5 Gingie Reserve, Walgett	\$27,712.68	\$3,442.50	\$24,270.18
3	urgent	28 Arthur Street, Walgett	\$69,869.75	\$0.00	\$69,869.75
4	urgent	103 Arthur Street, Walgett	\$114,920.25	\$5,928.75	\$108,991.50
5	urgent	107 Arthur Street, Walgett	\$49,923.38	\$2,677.50	\$47,245.88
6	urgent	67 Duff Street, Walgett	\$60,830.38	\$0.00	\$60,830.38
7	urgent	85 Duff Street, Walgett	\$25,516.75	\$0.00	\$25,516.75
8	urgent	90 Peel Street, Walgett	\$47,533.63	\$7,038.00	\$40,495.63
9	urgent	38 Sutherland Street	\$36,175.50	\$9,721.88	\$26,453.62

	Urgency	Address	Costs (excl. GST)	Initial Scope Reduction	Revised Costs (excl GST)
10	Medium	32 Hope Street	\$47,367.50	\$0.00	\$47,367.50
11	Medium	89 Dewhurst Street	\$18,335.63	\$1,147.50	\$17,188.13
12	Medium	87 Duff Street	\$79,574.63	\$0.00	\$79,574.63
13	Medium	26 Hope Street	\$22,393.00	\$1,147.50	\$21,245.50
14	Medium	34 Hope Street	\$36,423.00	\$5,355.00	\$31,068.00
15	Medium	8 Sutherland Street	\$45,145.38	\$4,207.50	\$40,937.88
16	Medium	77 Wareena Street	\$41,559.50	\$5,737.50	\$35,822.00
17	Medium	102 Wee Waa Street	\$64,508.63	\$15,892.88	\$48,615.75
		Total	\$815,411.84	\$62,296.51	\$753,115.33

The delivery of the 17 priority properties is estimated to take 3 months, as they are the properties worst effected. The costs are estimated to be of \$1,176,598.35 excl. GST, which is \$384,918.92 under the available budget (\$1,561,517.27). We suggest that the remainder of the budget will be allocated to properties recommended by WLALC

Priority Properties only	Costs (excl. GST)
Preliminaries (based on 3 months delivery)	\$219,280.00
Revised costs Trade Total	\$753,115.33
Contractor Margin (10%)	\$97,239.53
Contingency (10%)	\$106,963.49
TOTAL	\$1,176,598.35

7 Procurement Strategy

7.1 Summary

After taking into consideration:

- The most common procurement strategies
- Feedback from the industry
- Feedback from the cost consultant
- NSWALC Procurement Guidelines and
- The timelines associated;

it is recommended to procure the delivery of the project:

- As a single contract
- Through a Select Tender process for a Head Contractor
- Using a Construct Only Contract such as AS4000.

This will minimise the consultancy costs, provide a greater control of costs and program to ensure the most time efficient delivery. It also has the advantage that we have the greatest influence on the Aboriginal participation in the construction.

7.2 Strategy/Approach

The following documents have been reviewed:

- NSWALC Guidelines & Procedures – Procurement Nov 2006
- NSW Procurement Guidelines (for construction projects)
- Aboriginal Participation in Construction Guidelines

The procurement strategy for this project does not need to comply with the NSW Procurement Guidelines nor is it required to use the Department of Commerce standard suite of contracts.

The following procurement methods have been considered:

Select Tender	Open Tender	Single Select Tender
Pre-selection of suitable builders	Builders might not be suitable or have relevant experience	Pre-selection of one suitable builder
A competitive tender environment	Most competitive tender environment	Not a competitive tender environment
Shorter tender period to expedite delivery	Longer tender period as industry is not aware of the tender	Shorter tender period to expedite delivery
Shorter evaluation period	Possibly longer evaluation period due to a large number of tenders	Very short evaluation period

The Contract Form used for the Walgett R&M Project will be a Construct Only Contract as the Scope of Work / Specifications are already detailed and no ongoing maintenance is required under this project.

The following contract options have been considered:

Single Contract	Multiple Contracts (i.e. three contracts, one per location)	Trade Package Contracts
Head contractor is on site to coordinate and supervise	Possibly 3 different builders and additional contract for Construction Manager	Large number of contracts and additional contract for Construction Manager
Greatest control of cost	Less control of cost	Great risk of cost blow out
Greatest control of program	Less control of program	Great risk of program slipping
Risks lays mainly with the head contractor	Risks lays mainly with the client	Risks lays mainly with the client
Minimises contract administration and coordination effort for PM consultant	Higher contract administration and coordination effort for PM consultant	Very high contract administration and coordination effort for PM consultant
Costs will only include one set of overheads	Up to three sets of overheads plus Construction Manager	
Short evaluation period	Longer evaluation period due to a large number of tenders	Long evaluation period due to a large number of tenders
Good opportunity to ensure Aboriginal participation in Construction	Less opportunities to ensure Aboriginal participation in Construction	Limited opportunities to ensure Aboriginal participation in Construction

7.3 Outcome

For the delivery of the entire scope of works an overall construction program of 6 months was estimated. The final program is dependant on the final agreed scope of works.

Under the NSW Government Guidelines this project is required to comply with 'Aboriginal Participation in Construction' guidelines. Under these guidelines, the project is a Category 1 Project – Primarily directed to one or more Aboriginal communities, or where an Aboriginal community is the sole or predominant beneficiary.

This aligns with the NSWALC objective to ensure employment outcomes for local indigenous persons through the employment/engagement of at least 10 Indigenous persons through the project.

The guidelines require tenderers to submit the following documents:

1. Management Statement of Support for Aboriginal Participation
2. Statement of Opportunities for Aboriginal Participation
3. Aboriginal Participation Plan

Additionally, it is to be ensured that Aboriginal participation is a tender evaluation criteria. It is recommended to align the Conditions of Tendering and Contract Clauses in regards to Aboriginal Participation with the Department of Commerce GC21 or Minor Works standard form contract documents.

The contract will be a Construct Only Contract as the Scope of Work / Specifications are already detailed and this is not an ongoing maintenance contract under the project. The recommendation is to use a standard form of contract such as the AS4000.

Due to the complex coordination requirements of this project we recommend to procure the project as a single contract. If a single contract is awarded, the risks allocated with the coordination of the components of the construction work are allocated with the contractor. In the case of the Walgett R&M project it is advisable to work with a Head Contractor who:

- Submits a lump sum fee with a schedule of rates for variations
- Is based permanently on site
- Coordinates all trades and subcontractors
- Coordinates the scheduling of the properties
- Carries most of the risk in regards to costs and program
- Is the single point of contact for the works

To award a single contract to a Head Contractor will also minimise the contract administration and coordination effort of the consultant, and this is reflected in the cost.

The recommended procurement method for the Walgett R&M Project is Select Tender process. The advantages are that we can target suitable local builders directly and minimise the tender period and tender evaluation and therefore expedite the project's delivery, which is a crucial aspect given the time pressure on the delivery of the project. The Contractors that we recommend to be included in the Select Tender

- Have previously worked with Arup
- Were recommended by Indigenous Business Australia
- Or were recommended by Housing NSW (to follow up with Julia)

These builders have had previous experience on projects of similar nature and have showed the capability to incorporate local and indigenous employment

1. Aboriginal Connections Building Company Pty Ltd
2. Xsite
3. TBC
4. TBC

MURDI PARK 12

8 Summary

Appendix A – List of Properties

Gingie (13 properties)	
1	1 Gingie Reserve, Walgett
2	2 Gingie Reserve, Walgett
3	3 Gingie Reserve, Walgett
4	5 Gingie Reserve, Walgett
5	7 Gingie Reserve, Walgett
6	9 Gingie Reserve, Walgett
7	11 Gingie Reserve, Walgett
8	12 Gingie Reserve, Walgett
9	13 Gingie Reserve, Walgett
10	14 Gingie Reserve, Walgett
11	15 Gingie Reserve, Walgett
12	16 Gingie Reserve, Walgett
13	17 Gingie Reserve, Walgett

Namoi (21 properties)	
14	1 Namoi Reserve, Walgett
15	2 Namoi Reserve, Walgett
16	3 Namoi Reserve, Walgett
17	4 Namoi Reserve, Walgett
18	5 Namoi Reserve, Walgett
19	6 Namoi Reserve, Walgett
20	7 Namoi Reserve, Walgett
21	8 Namoi Reserve, Walgett
22	9 Namoi Reserve, Walgett
23	10 Namoi Reserve, Walgett
24	11 Namoi Reserve, Walgett
25	12 Namoi Reserve, Walgett
26	13 Namoi Reserve, Walgett – no work required
27	14 Namoi Reserve, Walgett
28	15 Namoi Reserve, Walgett
29	16 Namoi Reserve, Walgett
30	17 Namoi Reserve, Walgett
31	18 Namoi Reserve, Walgett

Namoi (21 properties)

32	19 Namoi Reserve, Walgett
33	20 Namoi Reserve, Walgett
34	21 Namoi Reserve, Walgett

Walgett township (36 properties)

35	28 Arthur Street, Walgett
36	100 Arthur Street, Walgett
37	103 Arthur Street, Walgett
38	107 Arthur Street, Walgett
39	109 Arthur Street, Walgett
40	76 Dewhurst Street, Walgett
41	81 Dewhurst Street, Walgett
42	83 Dewhurst Street, Walgett
43	87 Dewhurst Street, Walgett
44	89 Dewhurst Street, Walgett
45	96 Dewhurst Street, Walgett
46	102 Dewhurst Street, Walgett
47	67 Duff Street, Walgett
48	85 Duff Street, Walgett
49	87 Duff Street, Walgett
50	89 Duff Street, Walgett
51	26 Hope Street, Walgett
52	28 Hope Street, Walgett
53	30 Hope Street, Walgett
54	32 Hope Street, Walgett
55	34 Hope Street, Walgett
56	36 Hope Street, Walgett
57	38 Hope Street, Walgett
58	46 Keepit Street, Walgett
59	90 Peel Street, Walgett
60	92 Peel Street, Walgett
61	94 Peel Street, Walgett
62	96 Peel Street, Walgett

Walgett township (36 properties)	
63	67 Neilly Street, Walgett
64	74 Pitt Street, Walgett
65	8 Sutherland Street, Walgett
66	31 Sutherland Street, Walgett
67	36 Sutherland Street, Walgett
68	38 Sutherland Street, Walgett
69	77 Warrena Street, Walgett
70	102 Wee Waa Street, Walgett

Appendix B – Basis of Estimate

WALGETT REPAIR AND MAINTENANCE PROGRAM - GINGIE, NAMOI AND WALGETT RESERVES

BASIS OF BUDGET ESTIMATE

The costs in this Budget Estimate are based upon rates applied to measured elemental quantities applied to measured areas and are current as at August 2009.

The following information has been used in the preparation of this Estimate:

.Volume 2 Specification Supplement for Repair and Maintenance at Gingie, Namoi and Walgett Reserves, NSW.
Revision 3 by Frank Takos & Associates, received 23/07/09.

No Estimates have been provided to us by others for incorporation with this Estimate.

The scope of works comprises the repair and maintenance of 70 government houses, the works themselves involve the repair and/or new work to internal linings, fitments, joinery, doors, windows and the hardware itself. The works also include the rectification work to external elements such as water tanks, wall planking, fences and staircases and also allow for the addition of new elements such as carports, driveways, shade sails and fences. The works also include for a "Wish List" element which are items each individual tenant has requested to better their accommodation, this includes items such as additional bedrooms, carports and converting sleepout areas into internal living spaces. The project scope of works aims at rectifying all minor and major problems associated with the specified houses thereby bettering the level of accommodation for the tenants and hopefully bettering the community by doing so.

Please refer the individual item details of each estimate for particulars of assumptions and inclusions noted therein.

This estimate is based on, but not limited to, the following assumptions:

.We have allowed for an overall programme of 6 months (as advised by ARUP Project Management). We have assumed a start date in January of 2010 with the programme running to completion in June 2010;

.We acknowledge ARUP's advice that there is no standard form of Contract that the contractor is obligated to complete the work in accordance with. We note that the NSWALC Guidelines - Procedures for Procurement require a public tender process but that this may be deviated from if a business case substantiates value for money on the basis of a select tender process;

.We have allowed a construction contingency of 10%. Please be aware that currently there is a lot of work programmed for this region of the State as a result of the Government's Stimulus Package. It is still unknown what affect this will have on the available labour and materials in Walgett and surrounding trade centres such as Lightning Ridge, Coonamble, Moree and Dubbo. This is a general contingency allowance only and it is possible that this may need to be increased when more information becomes available;

.We have allowed for Contractor margin and corporate overheads of 10%;

.We have allowed for costs associated with asbestos removal to 103 Arthur St ONLY, all as specified by the Architect. It is unclear whether the other houses referenced in the Specification contain asbestos materials - this is a risk item. We deem that any costs associated with disposing of these materials if encountered in the other properties is to be funded from a suitable contingency allowance;

.Please note that we have allowed a utilisation factor of 1.50 to the labour component of the works associated with this entire scope of works. This allowance is to account for the loss of efficiencies that will be imposed upon the managing contractor and the subcontractors executing this work on site. We have assumed that there will be substantial downtime associated with daily establishment and decanting regimes necessitated by the location and the nature of these works on site.

WALGETT REPAIR AND MAINTENANCE PROGRAM - GINGIE, NAMOI AND WALGETT RESERVES

ITEMS SPECIFICALLY EXCLUDED

In compiling this Budget Estimate, no allowance has been made for the following cost items. Allowances for these items should be added as appropriate to establish the total project cost. If requested, we can provide assistance to assess these allowances.

- . Site investigation and test bores
- . Demolition and site clearance
- . Removal of asbestos and other hazardous materials (other than those identified)
- . Site decontamination
- . Work outside site boundaries
- . Diverting existing services
- . Artworks
- . Prototypes
- . Loose furniture, fittings and equipment
- . Telephone services
- . Computer installations including wiring
- . Security systems
- . Tenant incentive and/or relocation contributions
- . Tenant fitout
- . Staging/Phasing costs (other than those identified)
- . Any costs and fees as a result of any development approval resubmissions
- . Environmental impact study costs
- . Fees and charges levied by local government for Development Plan applications, Development Approval, Construction Certification and the like
- . Long Service Leave levies
- . Public utilities' charges, contributions and levies
- . Affordable Housing contributions
- . Any special or additional contributions sought by authorities for public or other facilities as a condition of development approval
- . Design and management fees
- . Strata title registration and survey
- . Cost increases beyond July 2010
- . Finance costs and interest charges
- . Goods and Services Tax

Appendix C – Preliminaries

Walgett Repair and Maintenance Program

Preliminaries For All Locations

ITEM DETAILS

A Preliminaries

A1 Preliminaries

Rates current at August 2009

Item	Description	Unit	Qty	Rate	\$
PR PRELIMINARIES					
1	Site foreman (required 100% of the programme)	Week	26	2,310.0	60,060
2	Labourer (required 100% of the programme)	Week	26	1,800.0	46,800
3	Labourer (man compound, deliveries, receipting, etc)	Week	26	1,800.0	46,800
4	First aid - assume labourer or foreman is certified	Note			Incl.
5	E/O on foregoing labour/supervision for living away from home allowances	Week	26	2,425.0	63,050
6	Container	Week	26	25.0	650
7	Establish/disestablish on foregoing (2 No. required to each reserve)	No	4	200.0	800
8	Toilets	Week	26	200.0	5,200
9	Establish/disestablish on foregoing (2 No. required to each reserve)	No	4	200.0	800
10	Rental accommodation for head contractor personnel	Week	26	350.0	9,100
11	Industrial warehouse rental as compound for head contractor	Week	26	500.0	13,000
12	Office rental for site office in Walgett township	Week	26	500.0	13,000
13	Lunch shedding	Week	26		Excl.
14	Site office computer/printer/scanner	No	1	5,000.0	5,000
15	Software on foregoing	No	1	3,000.0	3,000
16	Mobile phones	Week	78	150.0	11,700
17	Photocopier	Week	26	80.0	2,080
18	Photocopier consumerables	Week	26	40.0	1,040
19	Fax	Week	26	100.0	2,600
20	Fax consumerables	Week	26	80.0	2,080
21	Temporary electrical services	Item			12,000
22	Temporary hydraulic/water services	Item			12,000
23	Bins	Week	26	600.0	15,600
24	General cleaning allowance	Week	26	250.0	6,500
25	Temporary fences to houses in Gingie and Namoi reserves	Week	26	40.0	1,040
26	E/O for establishment/disestablishment between houses	No	33	250.0	8,250
27	Allowance for sundry protection items	Item			9,000
28	Small tool allowance	Week	26	100.0	2,600
29	Protective clothing	Week	26	75.0	1,950
30	Safety items	Week	26	120.0	3,120
31	Signage	Item			5,000
32	Fire extinguishers	Week	26	150.0	3,900
33	Surveyor (may be required if external fencing works proceed)	Hr	132	120.0	15,840

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Rider Levett Bucknall

Walgett Repair and Maintenance Program

Preliminaries For All Locations

ITEM DETAILS

A Preliminaries

A1 Preliminaries

Rates current at August 2009

Item Description	Unit	Qty	Rate	\$
PR PRELIMINARIES (Cont'd)				
34 Allowance for any fees/permits	Item			10,000
35 CAR insurance	Item			35,000
36 Sundry allowances	Item			10,000
Element PR total				438,560

A Preliminaries

A1 Preliminaries TOTAL

438,560