

## 8. Project Cost

### 8.1 Scope of works

The cost estimates of the works are based on costings for each of the major work elements associated with the project, including:

- Project development;
- Investigation and design;
- Property acquisitions;
- Public utilities adjustments;
- Construction; and
- Handover.

### 8.2 Strategic cost estimate

The strategic cost estimates have been compiled in accordance with the RTA's Project Estimating Manual, Edition 1, Revision 0 (December 2001) and the RTA's Iluka Road to Woodburn Scope of Works and Technical Criteria – Appendix 6 - Estimating, Scope and Cost Control for Development Projects.

The strategic cost estimates are summarised in **Table 8.1**. An E50 estimate is the cost estimate for which there is a 50% probability of being achieved, while the E90 estimate has a 90% probability of being achieved.

**Table 8.1 Summary of cost estimates**

Route Stage	Length	E50 Estimate	E90 Estimate
Strategic estimate dated March 2006	32.72 km	\$221M	\$236M

Source: Connell Wagner, 2006.

#### 8.2.1 Explanation

Contingency factors are applied to the E90 strategic cost estimates to allow for certain unforeseen circumstances. In accordance with the RTA's Estimating Manual, these contingencies generally range between 25% and 50% and can be reduced as the design progresses and uncertainty decreases.

Similarly, with the E50 estimate all cost items are based on a contingency factor of 31%, although the pavement contingency is 25%.

