

10 June 2019

M E M O R A N D U M

TO: CHIEF EXECUTIVE OFFICER – DAVID FARMER

FROM: ACTING GENERAL MANAGER (PLANNING AND REGULATORY SERVICES – BRETT DAVEY
ENGINEERING AND ENVIRONMENT MANAGER – SHAHADAT HOSSAIN

ACTIONED BY: PRINCIPAL DEVELOPMENT ENGINEER – MITCHELL WEATHERHEAD

RE: INFRASTRUCTURE CREDITS – PROJECT ESTIMATE
ROAD 10 & ROAD 11 - SPRINGFIELD TOWN CENTRE NORTH
SPRINGFIELD TOWN CENTRE INFRASTRUCTURE AGREEMENT

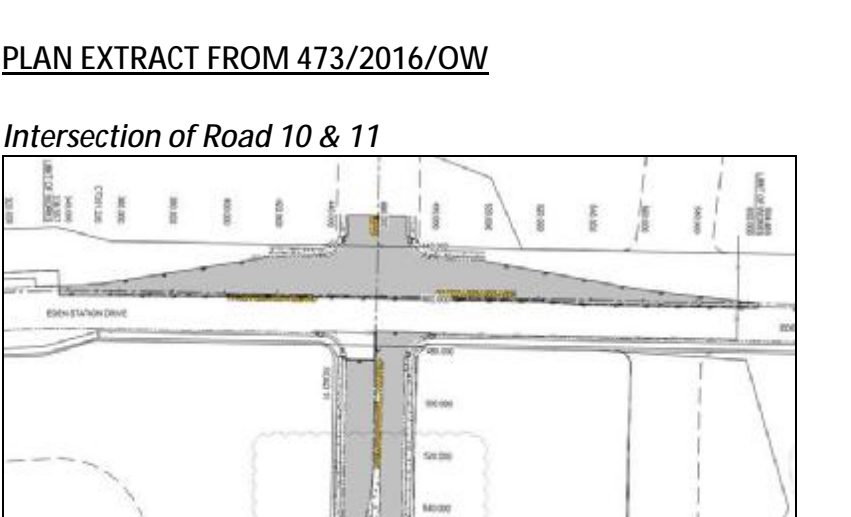
SUMMARY

In anticipation of the construction of Road 10 and Road 11 (extension from Trackstar Drive to Edens Station Drive – see locality map below) within the Springfield Town Centre, Springfield City Group (SCG) are seeking confirmation of the project estimate (establishment cost) to determine the maximum infrastructure credits in accordance with Springfield Town Centre Infrastructure Agreement (STCIA).

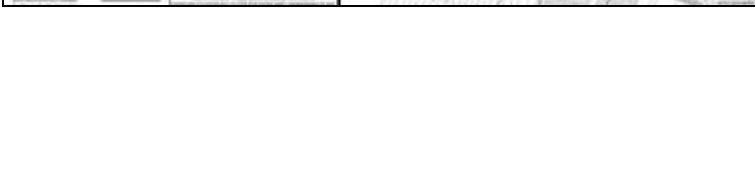
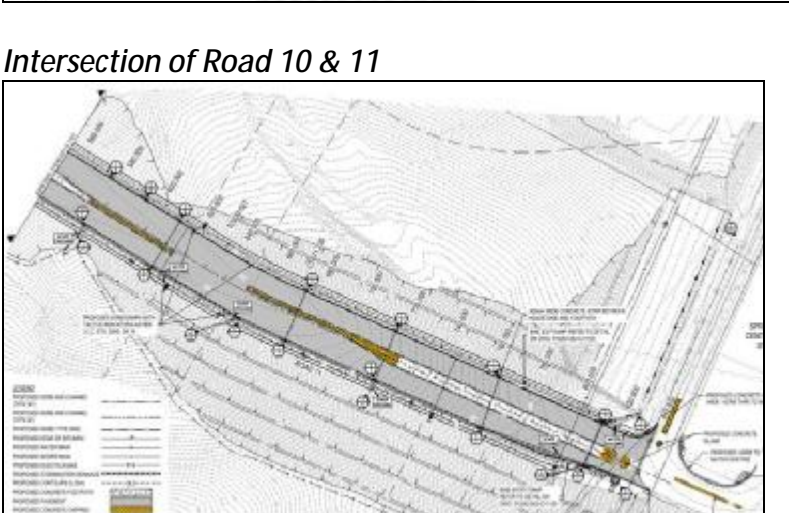
BACKGROUND

Council has approved an Operational Works application (473/2016/OW – plan extracts shown below) in March 2017 for the construction of Road 11 within the Springfield Town Centre which will link Trackstar Drive to Edens Station Drive. As a result of the construction of Road 11, additional works on Edens Station Drive (Road 10) are required which will provide an ultimate four lane construction which is deemed creditable. An extract of the proposed works are provided further below within this memorandum.

The STCIA states that *the Developer (Springfield City Group) accrues credit for the construction of the road known as Road 11 which is a high frequency public transport corridor*. Springfield City Group have stated that they will not commence construction works until the establishment cost for Road 10 and 11 are determined. The purpose of this memorandum is to define and approved the establishment costs which will serve as the maximum infrastructure credit amount.



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ESTABLISHMENT COST CALCULATION METHODOLOGY

Springfield City Group's consulting engineers, Cardno has prepared a schedule of costs and prices for the construction works associated with 473/2016/OW as a proposed establishment cost. However, Council has prepared a cost estimate utilising the Local Government Infrastructure Plan Schedule of Works (LGIP SOW) which also includes some individual items from Cardno's cost such as earthworks, traffic signals and traffic islands costs. The proposed project estimate for both Council's and Cardno's proposal are summarised below. The full calculations can be found in the supporting documentation section found in this memorandum.

Road 10

Project Estimate (Council) - \$776,502.00

Project Estimate (SCG/Cardno) - \$656,168.70

Comments/Exclusions/Variations – The works creditable is limited to ultimate construction on Road 10 and does not include the Brookwater Drive stub works. A large portion of the traffic signals (85%) for the intersection of Eden's Station Drive/Brookwater Drive/Road 11 have been determined as creditable to Road 10.

Road 11

Project Estimate (Council) - \$6,081,180.00

Project Estimate (SCG/Cardno) - \$5,436,698.06 (\$6,092,866.76 - \$656,168.70)

Comments/Exclusions/Variations – The earthworks cost varied greatly between the LGIP unit rate and SCG/Cardno's proposal as there is a major cut exercise with most material being transported offsite (cost of earthworks is \$2.21M). Traffic Signals for the intersection of Trackstar Drive and Road 11 have been included on this estimate.

TOTAL - \$6,857,681.00

It is noted that Council's calculated Project Estimate exceeds the amount sought by SCG. The reason for this is owing to Council utilising the Local Government Infrastructure Plan Schedule of Works (LGIP SOW) to calculate the amount versus SCG/Cardno's detailed cost estimate prepared from the design drawings. It is considered justifiable to exceed the amount in this instance, as a separate tender process will be undertaken for the works to ensure value for money and Council will also undertake a final credit assessment once works are completed and accepted On Maintenance. The actual costs and associated documentation (certifications, final progress claims, invoices, etc.) will need to be submitted by Cardno/Springfield City Group to substantiate the Infrastructure credit claim as part of this assessment. Springfield City Group will be entitled to the lesser of the: actual costs or the project estimate cost. Springfield City Group have requested to provide an itemised breakdown of costs based upon Cardno's engineer's estimate, however Council will not provide this breakdown until the project is tendered through a competitive procurement process is completed and a final tender document provided.

Furthermore, Springfield City Group provided separate estimates for Road 10 and Road 11 as they were of the opinion that Road 10 accrues credits under the Springfield Infrastructure Agreement (SIA) and Road 11 accrues credits under the Springfield Town Centre Infrastructure Agreement (STCIA). Council officers do not agree with this position and this has been communicated to SCG. It is

expected that the resolution of this difference will be ongoing. However, it is only relevant to the recording of the works in the relevant Infrastructure Agreement register and is not directly relevant to the determination of the maximum establishment cost.

SUPPORTING DOCUMENTATION

Table 1. Supporting Documentation







DOCUMENT NAME / TITLE	DOCUMENT LINK
Operational Works Approved Plan – 473/2016/OW	 473_16_OW Approval Drawings
Springfield Town Centre Infrastructure Agreement Extract	 STC Transport Credit (Road 11) - E:
Final Project Estimate Spreadsheet – LGIP SOW	 Copy of FINAL_ Updated Council's F
Cardno Proposed Project Estimate	 Copy of CARDNO ESTIMATE - Road 11
Earthworks Strategy for Springfield Town Centre	 Overall Bulk Earthworks Model fi
Request from SCG to Finalise Project Estiamte	 FW Information for Credits - Road 11 Ri

Table 2. Summary of Establishment Costs

Springfield Town Centre Infrastructure Agreement					
Infrastructure Type	Proposed Amount by Applicant for Road 10	Proposed Amount by Applicant for Road 11	Amount Approved by Council for Road 10	Amount Approved by Council for Road 11	Amount Approved by Council for Road 10 and 11 Combined
Roads / Transport	\$656,168.70	\$5,436,698.06	\$776,502.00	\$6,081,180.00	\$6,857,681.00
Total	\$656,168.70	\$5,436,698.06	\$776,502.00*	\$6,081,180.00*	<u>\$6,857,681.00*</u>

*Note: The amounts approved by Council are a maximum Infrastructure credits and the allocation of final Infrastructure credits are subject to the assessment of the actual costs.

RECOMMENDATIONS

- A. That Springfield City Group be advised that the maximum Establishment Cost (Project Estimate) for Road 10 and Road 11 is \$6,857,681.00.
- B. That the Developer's representative, Mr Brett Wilson of Springfield City Group (b.wilson@springfieldcitygroup.com), be advised accordingly.

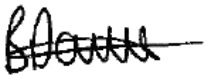


Mitchell Weatherhead
PRINCIPAL DEVELOPMENT ENGINEER



Shahadat Hossain
ENGINEERING AND ENVIRONMENT MANAGER

Approved: YES ~~/NO~~



Brett Davey
ACTING GENERAL MANAGER (PLANNING AND REGULATORY SERVICES)

I have this day adopted the recommendation specified in this report.

David Farmer
CHIEF EXECUTIVE OFFICER

Date: