# Sandown WwTW
## Cost Build Up - Outline Methodology

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| **Project:** | Sandown WwTW | | |
| **Subject:** | Cost Build Up – Outline Methodology | **PRN:** | 710023 |

# 1 Cost Build-Up – Outline Methodology

The Net Direct Works costs were derived from the **2020/2021** cost estimate, adjusted to **2022/2023** levels using **CPIH**.

The cost build-up is in-line with SWS' PR24 Methodology entitled **"SRN15 Cost and Option Methodology".**

CIT has undertaken reviews on the scope items to ensure that relevant yardstick and sizing information is available and correctly presented. CIT reviewed that scope items matched the associated curves and models. Queries were sent out to ensure that the areas of mismatch and/or gaps were addressed from SWS Design Team.

Relevant scope and design information has been provided by SWS Design Team and Contractor. There have been no detailed drawings on scope or design information. CIT is not responsible for the scope and associated yardstick or sizing information, as well as any gaps in scope or design information. CIT has not undertaken a scope validation exercise, but a high level review of the scope and raised queries to address any anomalies and/or gaps. As part of the cost estimation work, there has been no take offs from drawings by CIT.

The cost models and generated costs were validated, and a sense check was applied to the outputs to address any further anomalies. Any further gaps were raised and doubled checked, as well as addressed with SWS Design Team. The cost information was benchmarked, where report is also appended to the overall submission.

## 1.1 Net Direct Works

The base cost of the project includes all direct construction and delivery activities, such as:

- Civil, mechanical, and electrical works
- Installation of pipelines, treatment facilities, or infrastructure
- Materials, labour, and subcontractor costs
- Site preparation and enabling works

These components collectively form the **Total Net Direct Works**, which represents the base cost of the project.

- Cost Models: circa **48%.**
- Bottom-Up Estimates and Quotations (inflated to 2022/23) undertaken by SWS CIT: circa **52%.**

## 1.2 Contractor & Client Indirect Costs

**Indirect Costs** are applied to the Net **Direct Works** to account for:

- Site management and supervision
- Temporary works and facilities
- Design and engineering support
- Project controls and administration

These have been applied as a percentage uplift of **76.50%** to the **Net Direct Works**.

## 1.3 Blended Project Total

This is the sum of **Net Direct Works** and **Indirect Costs**, representing the full cost of delivering the physical scope of the project.

## 1.4 Risk Allowance

A contingency or risk allowance is added to cover estimating and scope uncertainty, which comprises of unmitigated risks with the sum of [redacted], which equates to 20.1%.

## 1.5 Total (Excluding Corporate Overheads)

This subtotal includes all costs required to deliver the project, excluding corporate-level costs.

- Net Direct Works
- Contractor & Client Indirect Costs
- Risk Allowance

## 1.6 Corporate Overheads

Corporate overheads are applied to cover:

- Head office support
- Governance and assurance
- Legal, finance, and HR functions
- Strategic management

These have been applied as a percentage uplift of **11.70%** to the **Total (Excluding Corporate Overheads).**

## 1.7 Total Project Cost

The **Total Project Cost** includes all components:

- Net Direct Works
- Contractor & Client Indirect Costs
- Risk Allowance
- Corporate Overheads

This figure represents the full financial commitment required to deliver the project.