

Description of Estimate Categories

| On-Q Phases | PLANNING | CONCEPT | | | DEVELOPMENT | | | IMPLEMENTATION | FINALISATION |
|-------------------------------------|---|---|---|--|--|--|---|---|--|
| Estimate Stage | Strategic Planning / Detailed planning | Project Proposal / SASR | Option Analysis / Preliminary Evaluation | Business Case | Development phase stage 1 design (S1D) | Development phase stage 2 design (S2D) | Procurement | Implementation | Actual |
| Estimate Description | Strategic and pre project | Project Proposal | Option Analyses | Business Case | Development phase stage 1 design | Development phase stage 2 design | Estimate For Comparison with Tender | Construction | As-constructed and project closure |
| Estimate Category* | Category 1 | Category 1 or 2 | Category 2 | Category 3 | Category 4 | Category 5 | Category 6 | | |
| Definition of the Estimate** | <ul style="list-style-type: none"> The estimate represents the indicative cost of a potential project in current dollars. The level of project knowledge available is less than 2% of the overall project definition due to not having investigations & designs completed. These estimates are not required present as a likelihood of not being exceeded (i.e. P90 / P50) | <ul style="list-style-type: none"> This estimate is for entering candidate investment in years 3 and 4 of the QTRIP. The level of project knowledge available is up to 15% of the overall project definition. Estimates provide an updated cost from the Road Link Plans for candidate projects. | <ul style="list-style-type: none"> This estimate is for analysing options. For PAF, Major and OnQ Type 1 projects, all shortlisted cost estimates must be presented as a likelihood of not being exceeded (i.e. P90 and P50 confidence) and the risk evaluation process must follow the quantitative approach (probabilistic method). For these projects, the cost estimate is Category 2. | <ul style="list-style-type: none"> This estimate is mandatory for projects to enter funded years (years 1 and 2) of the QTRIP. The estimates must have 90% and 50% likelihood (P90 and P50 confidence) of not being exceeded the actual project cost. The level of project knowledge is around 10% to 40% of the overall project definition (the investigations and designs partly completed). The risk evaluation process to follow the quantitative approach (probabilistic approach). | <ul style="list-style-type: none"> This estimate informs the project costs prior to finalising the project design and the preparation of the contract documents. It should be aligned with the Preliminary Design Report. The level of project knowledge available at this stage is around 30% to 65% of the overall project definition (i.e. having the investigations and Design completed up to a reasonable level). | <ul style="list-style-type: none"> This estimate confirms that the project scope, budget and the program are aligned. Progression from the S1D design Report and the estimate. The design activities are finalised in this stage and the final construction drawings / estimate completed. Project ready for tendering purposes and the delivery team will have reasonable confidence about what to deliver and how much it should cost. | <ul style="list-style-type: none"> This estimate assists the tender analysis process and ensures the tendered bids are within the approved budget. This estimate is based on updated S2D cost estimate with updated unit rates and risks. Any costs for minor scope changes occurred from the Business Case stage through to S2D design stage should also be considered. | <ul style="list-style-type: none"> Limited 'pure' estimating activities happen at this stage. Any scope variations arising at the construction stages will be estimated to aligned with the approved budget. The cost estimate performance must be continually monitored. Any changes to rise and fall to cost variations must be considered. | <ul style="list-style-type: none"> Actual costs and residual property costs Document the actual cost of the project for comparison with any performance indicator. Estimate the costs of the residual land and properties resumed for project purposes. |

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|--------------------------------|--|--|---|--|--|---|--|--|---|
| End Use of the Estimate | <ul style="list-style-type: none"> Assists in prioritising projects in Road Link Plans and corridor studies. Inform projects included in the federal FFA to secure funding for the scoping phase Inform the federal planning proposal (first pass) Inform State 10-year plan and Strategic / Detailed Strategic planning activities. | <ul style="list-style-type: none"> Assists in prioritising candidate projects to develop a program of works. Assists in developing SASR reports. Assesses if the cost of planning functions required producing the option analyses and business case. | <ul style="list-style-type: none"> Informs preliminary evaluation process for Major Projects. Produce comparative costs to assist in the options analysis. Assist in selecting the preferred option and to prepare business case estimate. | <ul style="list-style-type: none"> Assist in the budget approval, project prioritising and the QTRIP development processes. Secures funding for development phase for projects in the federal FFA (second pass) after preparing proposal report for the options analysis stage. The P50 estimate informs the cost benefit analysis (CBA) | <ul style="list-style-type: none"> The project estimate provides a check against the approved scope and the budget. If the scope and the budget are misaligned, then adjustment to scope or the budget need to be considered prior to moving into the S2D stage. | <ul style="list-style-type: none"> This estimate informs the tender schedule and the procurement of tenders. This estimate informs the federal PPR's (second pass) at the delivery phase and to secure funding for implementation for projects included in the federal FFA. | <ul style="list-style-type: none"> The scope and the budget need to be confirmed through the APDV process. Extraordinary cost escalation risks allowance must be considered. The project scope needs to be revisited should there be non-alignment with the budget. | <ul style="list-style-type: none"> Check against the risk and contingency allowances in the project. Assist the cost forecasting purposes. Budget must be checked and updated if there are any misalignments. | <ul style="list-style-type: none"> Informs endorsement for project closing for PAF projects. Post completion phase for projects in the federal FFA. The comparison of final project costs against the original budget is documented for consideration in future projects |
| Estimate Accuracy Range | -50% to + 200% | -30% to +100% | -30% to +100% | -15% to +20% | -10% to +15% | -5% to +10% | -5% to +10% | -2.5% to +5% | - |
| Confidence Level | Very Low | Low | Low to Medium | Medium | Medium to High | High | High | Very High | - |

*Note: Estimate categories within the table relate to Major Projects and OnQ Type 1 and 2. OnQ Type 3 projects are exempted.

**Note: The level of project knowledge at various project stages is defined in the *Transport and Main Roads Road Planning and Design Manual (RPDM)*