

Estimating checklist to ensure the currency of cost estimates by project management phase

On-Q Phases	Concept Phase Business Case stage		Development Phase Detailed Design stage and Procurement stage		Implementation Phase Delivery stage	
Project Gates	Gates 1 and 2 Project Proposal / SASR / PE and Options Analysis (OA)	Gate 3 Business case	Gate 4 Readiness for market	Gate 5 Tender decision	Gate 5 Readiness for service	Gate 6 Benefits evaluation
<b>Activities</b>	<ul style="list-style-type: none"> <li>Project formally initiated and the need / problem identified.</li> <li>The potential strategic assessment to resolve the problem recommended.</li> <li>Early advice on cost estimate to suit the project management lifecycle.</li> <li>Project matured to a sufficient level to define project objectives, high level deliverables, schedule, cost and benefits.</li> <li>A cost estimate prepared for all options considered for the PE/OA stage with sufficient level of detail and quality:                             <ul style="list-style-type: none"> <li>Latest Transport and Main Roads policies used</li> <li>Base estimates include latest unit rates</li> <li>Contingency based on updated risk assessment</li> <li>Extra-ordinary cost risks considered in the project contingency</li> <li>Latest escalation rates applied</li> <li>Assurance Review undertaken.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Analyse a range of options and prepare shortlisted options for consideration.</li> <li>Select the preferred option for further development.</li> <li>Develop a business case including project scope, delivery schedule, business case cost estimate and risks.</li> <li>Prepare a cost estimate with sufficient level of details and quality for a compelling case:                             <ul style="list-style-type: none"> <li>Latest Transport and Main Roads policies used</li> <li>Base estimate includes latest unit rates</li> <li>Contingency developed using appropriate risk assessment methods and tools</li> <li>Extra-ordinary cost risks considered in the contingency</li> <li>Latest escalation rates applied</li> <li>Assurance Review completed with appropriate rigour and check the estimate currency.</li> <li>Submit the business case for government consideration.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Prepare a Project Plan and identify preferred procurement option.</li> <li>Finalise the S2D detailed design, technical specifications and contract documents.</li> <li>Prepare a cost estimate with sufficient level of details and quality to provide a compelling case for the project to proceed to the delivery:                             <ul style="list-style-type: none"> <li>Updated the schedule to align with latest Transport and Main Roads policies</li> <li>Updated the base estimate using latest unit rates</li> <li>Updated the project risk register, assessment and the contingency</li> <li>Considered extra-ordinary cost risk contingency allowance to account for market conditions and uncertainties</li> <li>Applied latest escalation rates</li> <li>Split expenditure between CapEX and OpEX costs</li> <li>Assurance Review completed with appropriate rigour and check the estimate currency status.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>The public interface commences with the Expression of Interest or procurement notice (Request for Tender).</li> <li>Procurement completes with contract award.</li> <li>Estimate adjusted to accommodate changes in market conditions, scope and or risks.</li> <li>Update the cost attributes, updated risk / contingency allowances based on tendered information.</li> <li>Split the costs between capital and operating costs, including cash flows over the operational life of the project.</li> </ul>	<ul style="list-style-type: none"> <li>Execute the project or implement the solution and make the transition to normal business.</li> <li>Ensure the project is delivered to the agreed scope, schedule, budget and functional requirements in the approved project brief and business case.</li> <li>Record lessons learned on cost changes during the project delivery.</li> </ul>	<ul style="list-style-type: none"> <li>Conduct a project performance review to measure the project's success and costs.</li> <li>Measure the final project costs to compare with original business case estimate.</li> <li>Prepare a project closure report which identifies and records any residual risks.</li> </ul>