

Working with upper limit fees to estimate key WA infrastructure projects

Sectors:	Transport & Infrastructure
Client:	Main Roads WA
Location:	Western Australia
Project values:	\$880K-\$255M (so far)
Services provided:	Estimating panel member

Cost-estimating for Main Roads WA

Main Roads WA is responsible for delivering and managing a safe and efficient road network across Western Australia. Their main accountabilities include:

- Constructing the state's foremost government road infrastructure projects.
- Providing infrastructure and operations that expand road efficiency plus improve traffic and freight levels of service.
- Maintaining key government roads, bridges, verges and reserves.

Based on a winning tender and several positive referrals, McGarry Associates became a member of the Main Roads WA estimating panel in 2013. We have acted in the capacity of independent cost estimator at one of the Main Roads WA offices in the South-West located near the main MGA base in Bunbury ever since. Since 2013 we have been an integral part of Main Roads WA's estimating services and have had input in almost 60 key transport infrastructure projects – from brand new roads to 100 KM+ stretch upgrades.

Respecting parameters

Our solution as part of the estimating panel has been to provide cost estimating services by regularly examining how a project is constructed and what the intentions are for its use. We were aware that Main Roads WA runs an estimating process slightly different to others in that every estimate necessitates the use of an upper limit fee. Due to this upper limit, the Main Roads WA estimating panel must work within the outlined parameters for any given project. Infrastructure projects mustn't exceed the upper costing limit. This is critical for the department's long-term plans. McGarry Associates took this challenge to heart.

Context is key

Due to the volume of work MGA has dedicated 4+ staff members to work on Main Roads projects at any one time. That allocation includes one staff member who is an ex-Main Roads employee, hand-picked to ensure we have the contextual and operational information required to develop exceedingly accurate cost estimates.

We liaise weekly with Main Roads WA resources including an estimating lead and an estimating lead assistant to integrate our costing expertise with the expertise of the transport portfolio.

Some of the key projects we have provided cost-estimation for include:

- Bunbury Outer Ring Road Stage 3 - **\$255M**
- Bunbury Outer Ring Road Stage 2 - **\$100M**
- Roe Highway Intersection Upgrades - **\$77M**
- Miniyla-Exmouth Floodways - **\$75M**
- Bussell Highway Duplication - **\$55M**
- Cape Leveque Road Upgrade Works - **\$51M**
- Mitchell Freeway Southbound Widening - **\$51M**
- Margaret River Bridge & Perimeter Road - **\$33M**
- Kwinana Freeway Southbound Widening - **\$26M**
- Coalfields Highway Upgrade - **\$26M**
- Marble Bar Road - Coongan Gorge Re-Alignment - **\$25M**

Accurate costing for long-term planning

McGarry Associates have ensured all cost estimates delivered were within 2-3% of the actual cost. During the entire 7+ year period we've worked with Main Roads WA and throughout 60+ projects, we've only returned once or twice to rectify an upper limit fee breach. For Main Roads WA, this means security. The department can budget effectively and ensure their 5-year and 10-year look-ahead budgets are going to be accurate.

The Main Roads WA estimating panel was up for renewal in 2018 and McGarry Associates were pleased to be re-engaged to continue to provide key estimating services to Main Roads WA for another three years (with the option to add another two).

The opportunity to assist Main Roads WA has been a constant source of pride for McGarry Associates and we are looking forward to building on this relationship over the course of the next panel term. As the department itself states, 'the transport portfolio isn't just about roads, boats, planes or trains. It's about people. People who need to get to work, home and everywhere in between and businesses that rely on road, rail, air and sea to deliver billions of dollars in goods and services each year.'

We're pleased to do our part helping WA run smoothly.
