

*Extract of Jacobs email - CNEB – Cost review for Conveyor Bridge Estimate and Overall Scheme Cost dated 26th November 2021.*

Further to our conversation earlier this week, please see the below finance figures for CNEB. Please see the below assumptions and exclusions used in the production of this interim estimate.

**Pre-tender Estimate (PTE) for Conveyor Bridge**

PTE Construction Cost: £6,868,660

PTE Inflation (Tender and Construction): £144,237

PTE Risk allowance: £1,227,257

PTE Conveyor Bridge Total: **£8,240,154**

Developing Cost Estimate (June 2021) **£6,040,096** (including risk and inflation)

Assumptions/Exclusions

1. The Conveyor Bridge PTE is currently in draft however, it is envisaged any changes in the final version will be minor corrections
2. PTE Tender Inflation and Construction inflation applied using updated indices
3. PTE Risk allowance of 17.5%
4. PTE has increased (c. £2m) compared to the Developing Cost Estimate (June 2021) and this is attributed to the following;
  - a. Increase in number and length of piles as a result of detailed modelling, analysis and design following the receipt of the ground investigation information
  - b. Inclusion of construction activities in Section 1 (ground reprofiling, construction of drainage ditch, inclusion of site compound area, temporary culvert)
  - c. Additional volume of structural earthworks
  - d. Increased area of steel reinforcement
  - e. Increase in market rates
  - f. Increase in tender inflation

**Overall Scheme Costs:**

Cost excluding inflation and risk: £86,715,009

Inflation allowance: £4,271,532

Risk: £15,448,761

Overall Total: **£106,435,302**

Confirmed budget: £99,001,000

Budget deficit: £7,434,302

### Assumptions/Exclusions

1. The figures presented are based on last months' actuals and forecasts as I am yet to receive this months' finance report.
2. Spend and forecasts not associated with the Task Order (i.e. ECC spend, utility payments, ECC sub-contractors) have not been updated for actuals since June 2021.
3. Cost includes for the flood Compensation Areas as per the Planning application (c. £3m excluding risk and inflation)
4. Total includes for 'sunk costs' prior to HIF bid as instructed by ECC
5. £1.062m risk allowance relation to quarry interface
6. Construction risk of 17.5%
7. Non-construction risk of 20%
8. Indices applied monthly (figures accurate as of 25.06.21)

### **Current activities to reduce budget deficit:**

1. Remodelling of flood flows to reduce drainage and flooding infrastructure
2. Review of project risks and QRA to refine risk allowance to be more appropriate for current design stage (17.5% based on preliminary design and several risks have now either been realised or reduced following the last QRA)