

Cost estimate

APPENDIX

COST ESTIMATE DATED 25-10-2003							
DID WAREHOUSE ON ERF 59 - LINBRO BUSINESS PARK AT MIDRAND							
BUILDING							
BASEMENT FLOOR AREA			1 801m2 @ R2 000,00			R3 602 000,00	
SHOWCASE FLOOR AREA			1 657m2 @ R2 200,00			R3 645 400,00	
GROUND FLOOR AREA			2 216m2 @ R2 500,00			R5 540 000,00	
FIRST FLOOR AREA			2 168m2 @ R2 400,00			R5 203 200,00	
SECOND FLOOR AREA			2 168m2 @ R2 400,00			R5 203 200,00	R23 193 800,00
EXTERNAL WORK							
SECURITY FENCING (2,4m HIGH)			324m @ R200,00			R 64 800,00	
PAVED ROADS AND PARKING AREAS			3 010m2 @ R200,00			R 602 000,00	
STATURE WATER TANK AND STANK			10 @ R10 000,00			R 100 000,00	
PAVED WALKWAYS			120m2 @ R160,00			R 19 200,00	
TILED CONCRETE PAVINGS			155m2 @ R240,00			R 37 200,00	
STORMWATER DRAINAGE			90m @ R300,00			R 27 000,00	
SOIL AND WASTE WATER DRAINAGE			180m2 @ R200,00			R 36 000,00	
EXTERNAL WATER SUPPLY			250m2 @ R120,00			R 30 000,00	
SHADEPORTS			74 @ R1 500,00			R 111 000,00	R 1 027 200,00
PROVISIONAL SUMS AND PRIME COST ACCOUNTS							
ELECTRICAL INSTALLATION						R2 000 000,00	
FIRE PROTECTION SYSTEM						R 600 000,00	
LIFTS						R 750 000,00	
AIR CONDITIONING AND VENTILATION						R 900 000,00	
ELECTRICAL SECURITY SYSTEM						R 200 000,00	
LANDSCAPING AND GARDENING						R 200 000,00	
MUNICIPAL ELECTRICAL CONNECTION						R 100 000,00	
MUNICIPAL SEWER CONNECTION						R 50 000,00	
MUNICIPAL WATER CONNECTION						R 20 000,00	R 4 820 000,00
TOTAL DIRECT BUILDING COST							R29 041 000,00
ADD: PRELIMINARIES (10% SAY)							R 2 904 000,00
SUB-TOTAL							R31 945 000,00
ADD: 14% VAT							R 4 472 300,00
ESTIMATED TOTAL BUILDING COST							R36 417 300,00
STATISTICAL ANALYSIS:							
R3 638,09/m2							
NOTE:							
THE FOLLOWING ITEMS ARE NOT INCLUDED IN THIS ESTIMATE:							
(i) LAND COST							
(ii) ESCALATION IN BUILDING COST							
(iii) PROFESSIONAL FEES							
(iv) LOOSE FURNITURE AND EQUIPMENT							

Schedule of accommodation
APPENDIX

DID WAREHOUSE - DÉCOR, INTERIOR, DESIGNER FURNITURE WAREHOUSE				
SCHEDULE OF ACCOMMODATON				
SPACE DESCRIPTION	NO OF SPACES	AREA PER SPAC	TOTAL AREA	
ADMINISTRATION	1	50	50	3600
SECURITY	1	25	25	3600
SITTING AREA	2	60	120	3600
OFFICE	5	150	750	3600
SHOWROOMS	5	500	2500	3600
SHOPS	20	150	3000	3600
RESTAURANTS	2	200	400	3600
GALLERY	1	150	150	3600
SKILLS LEARNING AREA	3	50	150	3600
LIBRARY/INTERNET	2	100	200	3600
CIRCULATION AREA	1	250	250	3600
SERVICES	1	45	45	3600
GALLERY/ATRIUM	2	150	300	3600
SANITATION	2	100	200	3600
TOTAL			10,000	3,600

**Schedule of accommodation
APPENDIX**

COST	
	180000
	90000
	432000
	2700000
	9000000
	10800000
	1440000
	540000
	540000
	720000
	900000
	162000
	1080000
	720000
	36,000,000

RISK MANAGEMENT

FOR DID WAREHOUSE - APPENDIX

STAKEHOLDER GROUP	POWER			LEVEL OF CONCERN		
	INFLUENCE OF OTHERS	DIRECT CONTROL OF RESOURCES	Y-AXIS	TECHNICAL	SOCIAL	X-AXIS
	0,35	0,65		0,2	0,8	
1. Client (RPP Developments)	5	5	5	5	4	4,2
2. Directors/Managers (Shops)	4	4	4	5	4	4,2
3. Users (Linbro Business Park)	3	2	2,4	1	4	3,4
4. Community	2	1	1,4	1	3	2,6
5. Environment	3	1	1,7	1	3	2,6
6. Municipality	3	1	1,7	1	2	1,8

Fig. – Analysing Stakeholder Influence.

- 0 = Minimum
- 5 = Maximum

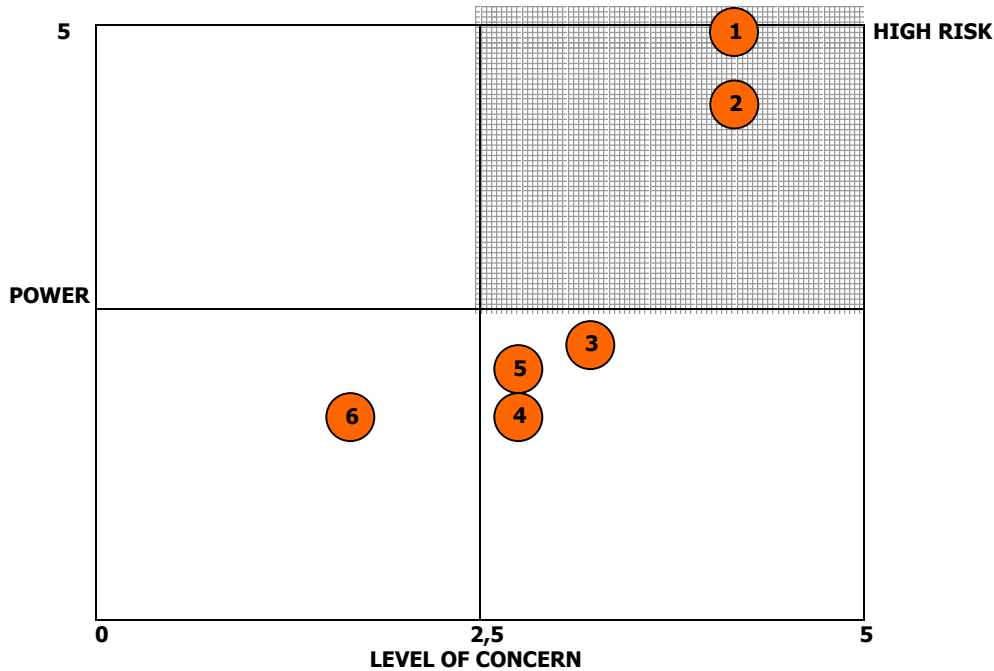


Fig. – Plot Results.

This tool has been used to analyse the configuration of DiD Warehouse. To consider the influence that each stakeholder has over the resources, a weighting was given:

- influence (0,35)
- direct control (0,65)
- technical (0,2)
- social (0,8).

The results have been plotted onto a grid and the stakeholders whose scores fall into the top right hand block are those with the most influence and impact on DiD Warehouse. The most important stakeholder is the client, RPP Developments, who will have the greatest influence over the whole project. They will, in a way, determine the success of this project concerning financial aspects and future prospects.

Next in line are the Directors/Managers, who will of course have an influence on decisions concerning DiD Warehouse. The Users of Linbro Business Park, Community and Environment, have lesser influence as stakeholders of this project, but still contribute valuable input and they need to be considered as well. The Municipality does not play such a big role, but it is important to consider all the stakeholders. The Environment and Community have more or less the same level of importance in this project.

As the major stakeholder, it is clear that the client, RPP Developments, will have the most control over the project. According to the graph, the client's directors will have a great influence as well and they will to a large degree determine its success. All the stakeholders, however, must be taken into consideration, and each will make a valuable contribution on different levels of the project.

RISK ASSESSMENT:

CONSEQUENCE MEASURE		LIKELIHOOD MEASURE		RISK RESULT MEASURE	
Catastrophic	5	Likely	5	High	15 – 25
Major	4	Moderate	4	Medium	7 – 14
Moderate	3	Unlikely	3	Low	2 - 6
Minor	2	Rare	2		
Insignificant	1				

RISKS:

STAKEHOLDERS	EXTERNAL (unpredictable)	EXTERNAL (predictable)	INTERNAL (non-technical)	TECHNICAL
Users – (Linbro Business Park)	Regulatory: import control	Market risks: economics	Management: staff changes	Design: fire safety
Municipality	Natural hazards: storms			
	Deliberate intent: safety, vandalism			
	Failure of completion - financial support			

RANK DESCRIPTION	CONSEQUENCE (C)	PROBABILITY (P)	RISK FACTOR (RF = C X P)	RISK RESULT	MITIGATION MEASURE
Users – Linbro Business Park	Moderate 3	Unlikely 3	9	Medium	Comply with all regulations set by Linbro Business Park in terms of design, control, alterations, building finishes etc.
Municipality	Moderate 3	Unlikely 3	9	Medium	Design according to their LIDP Proposals for Region 7, and comply with zoning regulations.
Regulatory: import control	Major 4	Moderate 4	16	High	Managers should be appointed to ensure that stock would arrive on time and regulatory in terms of import control. It is

					extremely important that DiD Warehouse should keep sufficient stock, and that new stock is available on time to ensure successful exhibitions and sales. Stock delays can have serious consequences.
Natural hazards: storms	Moderate 3	Unlikely 3	9	Medium	Although storm damage to the building is highly unlikely, this risk should be taken into account. Landscaping as well as roofs should be designed for the rapid removal of stormwater.
Deliberate intent: safety and vandalism	Major 4	Moderate 4	16	High	Due to the fact that DiD Warehouse will house valuable articles and furniture, security will play a pivotal role in its management. Effective security inside and outside the building is imperative.
Failure of completion: financial support	Major 4	Unlikely 3	12	Medium	RPP Developments will provide the necessary funds for the erection of the building, and income will be generated through the rental of shops, offices and exhibition spaces. All funds must be managed judiciously.
Market risks: economics	Moderate 3	Moderate 4	12	Medium	The local economy will have an indirect influence on the percentage of profit that DiD Warehouse will generate.
Management: staff changes	Major 4	Moderate 4	16	High	Due to the fact that the management process of DiD Warehouse will be very specialized, requiring that the management team will have to be highly trained, it will have a negative impact if too many members of the team change or withdraw too soon. Benefits, remuneration, and interpersonal relationships will be important considerations.
Design: fire safety	Catastrophic 5	Unlikely 3	15	High	The main technical risk existing within the building will be that of fire. Due to the high value of the contents of the building, its design will have to comply with fire regulations in terms of fire escape routes, fire extinguishers, ventilation, etc, to ensure that sufficient safety measures can be taken in case of fire.

MATRIX – RISK QUANTIFICATION:

CONSEQUENCE	LIKELY 5	MODERATE 4	UNLIKELY 3	RARE 2
5. Catastrophic	25	20	15	10
4. Major	20	16	12	8
3. Moderate	15	12	9	6
2. Minor	10	8		
1. Insignificant				

KEY:



High Risk 15 to 25



Medium Risk 8 to 14



Low Risk 2 to 7