

# numbers

THE NEWSLETTER OF MDA AUSTRALIA | ISSUE 3 | NOVEMBER 2009

## 2009: a year of working through the GFC

When our previous issue of *numbers* was published last year, we were all struggling to comprehend the impact of the Global Financial Crisis (GFC) on the construction industry. After nearly twelve months and billions of dollars of stimulus spending, the industry appears in a reasonable condition and the outlook is more optimistic.

The impact of the GFC on MDA was minimal with the awarding of several significant commissions driven by the Building and Education Revolution (BER) programme

supplementing a steady workflow from our established client base.

Even though there was a reduction in the size of some of our larger projects and programmes, MDA have been proactive in expanding our scope of services and consequently both our client base and number of projects have increased.

This issue of *numbers* illustrates the diverse range of projects which have helped us through the recent tough economic climate.

### THE PROJECTS

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### PROJECT: SYDNEY FERRIES



Sydney Ferries approached MDA to carry out asset valuations for their shipyard at Balmain, numerous wharves around Sydney Harbour and assets at Circular Quay.

The valuations had to comply with:

- AASB 116 – Property, Plant and Equipment
- NSW Treasury Policy TPP07-01 – Valuation of Physical Non-Current Assets @ Fair Value.

Fair value is based on current replacement cost therefore MDA were required to estimate the current construction cost of the existing assets with an equivalent economic benefit. Using this cost as a starting point, the estimated remaining life of the asset was then applied to calculate current asset values as at end June 2009.

Marine works are a specialist area of construction and MDA enlisted the help



and advice of specialist contractors who have carried out works for Sydney Ferries in the past. Added to previous knowledge from years of providing valuations for Sydney Ports, MDA were able to use this information to carry out the valuations to the satisfaction of Sydney Ferries and the audit committee.



## PROJECT: CBA RETAIL BRANCHES

The Commonwealth Bank of Australia's Branch Refurbishment Programme has reached its sixth year with a further 60 branches planned to be either fully refurbished or undergo a major upgrade.

As part of their continuous improvement programme, the generic design is constantly changing with the existing details being refined and generic concepts being 'tweaked'

for Iconic Branches in CBD locations and Mini Branches in newer suburbs.

MDA plays an important role in the value management process associated with this continuous improvement by costing each design solution and analysing the impact against the Bank's historical benchmark fit-out rates and targets.

*CBA Photos: Nicole Richie*



## A SELECTION OF OTHER CURRENT PROJECTS



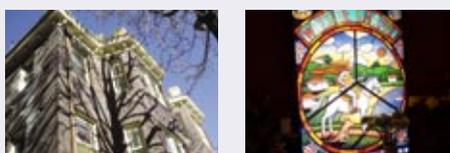
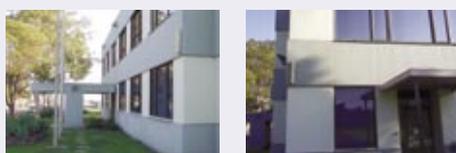
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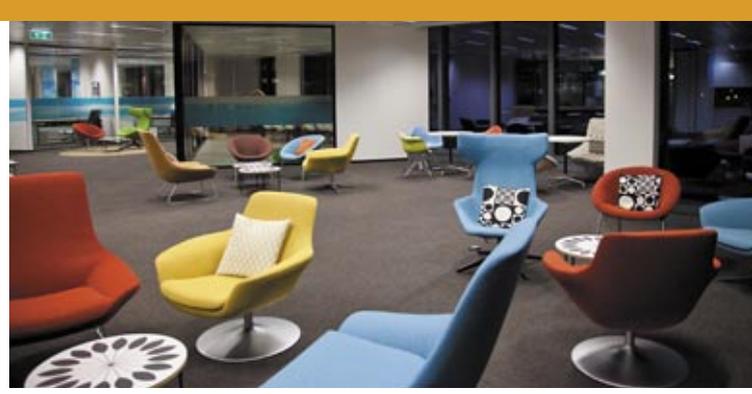


The Wayside Chapel



Northern Beaches Christian School





## PROJECT: ACCENTURE

MDA provided full cost management services for Accenture's new head office fit out in the 6 star Green Star Workplace<sup>®</sup> Development they share with Google at Pymont.

The brief for the 6500m<sup>2</sup> fit-out was to provide a modern 'green' office in a casual, warm and inviting environment.

The challenge for MDA was to manage the additional costs of green star compliance within the client's budget. The development of a cost model which identified the likely green star 'points' and associated costs of specific design options, enabled the project team to target cost effective 'green' design solutions whilst maintaining the Green Star 'points' required to achieve the client's targeted rating.

With a targeted Green Star outcome, a decreasing delivery timeframe and confidence in the estimating budget, Accenture decided to extend Jones Lang LaSalle's role from project management to include construction management enabling a greater 'green' focus during the construction phase.



## MDA Cost Tracker

The Construction Management procurement approach required MDA to closely monitor numerous individual trade package recommendations, subsequent variations and payments against the approved budget.

MDA utilises an in-house cost tracking system which has been specifically designed for Construction Management projects of this type. Adjusted to suit Accenture's specific requirements, the MDA Cost Tracker provided detailed reports from individual trade budgets in the early stages, through to final account payments.



Knox Grammar School appointed MDA as Cost Managers for their new Multi-Purpose Hall at Wahroonga working in conjunction with the Project Managers, epm Projects Pty Ltd. The Multi-Purpose Hall design incorporates a 2300-person hall constructed over a swimming pool complex with 50-metre and Learn to Swim pools.

In this unique design, the hall beams and floor slabs have a single span of 26m to enable an “open air feel” with uninterrupted views of the pool and surrounding landscaped areas whilst the hall above is able to accommodate many

sporting facilities or can be used for various academic and cultural functions.

The project is being administered in two stages with the Stage 1 demolition and bulk excavation works commencing in early September 2009. Whilst the Stage 1 works are progressing the documentation for Stage 2 will be finalised to enable the major Stage 2 construction to commence in December 2009.

Stay tuned for a more detailed report on the project in the next issue of *numbers*.

### NEW APPOINTMENT



We are pleased to announce the appointment of Michael Connell to the MDA team in the role of

Quantity Surveyor. Michael joined us in August this year and brings with him experience from working on multi-million dollar projects in Ireland, Dubai, Sydney and Melbourne.

### PROJECT: NORTH SYDNEY COUNCIL TOILET BLOCK – “LOO WITH A VIEW”



MDA were engaged to provide Project and Cost Management services for the construction of a new automated toilet block and external landscaping at Bradfield Park, Milsons Point. The toilet block, which boasts a magnificent view of the Harbour Bridge and Opera House, is housed within a concrete structure clad with sandstone blocks to match the existing stone finishes in the local area.

With an upgraded drainage system and landscaping in the immediate vicinity, the toilet block provides an amenity which can only attract more people to spend time at Bradfield Park, at the foot of the Harbour Bridge pylon, and take in the views of the city and harbour from the North Side.

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