



WT

WT INSIGHTS

ESSAYS & THOUGHT LEADERSHIP
FROM CONSTRUCTION EXPERTS

PREPARED BY ASSOCIATE DIRECTOR CHARISSE SOOKOO

WT IS AN AWARD-WINNING INTERNATIONAL CONSULTANCY FIRM WHO SUPPORTS CLIENTS ACROSS THE INFRASTRUCTURE INVESTMENT, BUILDING, CONSTRUCTION AND ASSET MANAGEMENT SECTORS.

WT was founded in Australia back in 1949 and has been a force in North America since 2010. A trusted advisor to Owners, Developers, Government and Private sector clients, WT currently manages billions of dollars of active mega projects across North America.

WT draws on the collective experience, knowledge and capability of our professional staff in locations across North America and globally to provide our clients with the right advice on all aspects of cost, value and risk to assist in achieving optimum commercial outcomes.

AUSTIN

Domenic Gibbs
T: +1 323 840 5910
E: domenic.gibbs@wtpartnership.co

BOSTON

Triona Heyes
T: +1 774 414 8939
E: triona.heyas@wtpartnership.co

CINCINNATI

Jake Witt
T: +1 206 930 7399
E: jake.witt@wtpartnership.co

DENVER

Matthew Brown
T: +1 303 903 0913
E: matthew.brown@wtpartnership.co

HONOLULU

Bridey Best
T: +1 808 520 0858
E: bridey.best@wtpartnership.co

LOS ANGELES

Andrew Sumner
T: +1 323 961 0234
E: heather.sergeant@wtpartnership.co

NEW YORK

Paul Roberts
T: +1 714 414 8939
E: paul.roberts@wtpartnership.co

PHOENIX

Matt McCleary
T: +1 949 325 4552
E: matt.mccleary@wtpartnership.co

RALEIGH-DURHAM

Jose Davila
T: +1 919 396 1944
E: jose.davila@wtpartnership.co

SAN FRANCISCO

Andrew Sumner
T: +1 617 304 3899
E: andrew.sumner@wtpartnership.co

SEATTLE

Andrew Sumner
T: +1 617 304 3899
E: andrew.sumner@wtpartnership.co

TORONTO

Phil Nixon
T: +1 416 450 7677
E: philip.nixon@wtpartnership.co

AUSTRALIA

Tim Roberts
T: +61 411 597 862
E: troberts@wtpartnership.com.au

CONNECT WITH OUR GLOBAL NETWORK AT WTPARTNERSHIP.CO

AUSTRALIA, CANADA, CHINA, GERMANY, HONG KONG, INDIA, INDONESIA, ITALY, MACAU, MALAYSIA, MEXICO, NEW ZEALAND, SINGAPORE, SPAIN, SWEDEN, THAILAND, UAE, UNITED KINGDOM, UNITED STATES AND VIETNAM.

OUR FOOTPRINT

WT IS ONE OF THE FASTEST GROWING ADVISORY FIRMS IN NORTH AMERICA

13

NORTH AMERICAN OFFICES

- | | |
|----------------------|---------------|
| UNITED STATES | CANADA |
| Austin, TX | Toronto, ON |
| Boston, MA | Calgary, AB |
| Cincinnati, OH | |
| Honolulu, HI | MEXICO |
| Los Angeles, CA | Mexico City |
| New York, NY | |
| Phoenix, AZ | |
| Raleigh, NC | |
| San Francisco, CA | |
| Seattle, WA | |



52

GLOBAL OFFICE LOCATIONS

- | | | | |
|---|---|--|--|
| OCEANIA | ASIA | UK & EUROPE | INDIA |
| AUSTRALIA
Adelaide
Brisbane
Cairns
Canberra
Geelong
Gold Coast
Hobart
Melbourne
Perth
Sydney | CHINA
Beijing & Tianjin
Shanghai &
Hangzhou
Guangzhou &
Shenzhen
Chongqing &
Wuhan
Suzhou
Chengdu | UK & CHANNEL ISLANDS
Belfast
Birmingham
Cambridge
Exeter
Guemsey
Leeds
London
Manchester
Nottingham
Sheffield
Southampton
Swansea | Bangalore
Chennai
Delhi
Hyderabad
Mumbai
Pune |
| NEW ZEALAND
Auckland
Wellington
Christchurch | HONG KONG
INDONESIA
Jakarta
Jogyakarta
Bali | GERMANY
Stuttgart | MIDDLE EAST
Abu Dhabi |
| | MACAU
MALAYSIA
Kuala Lumpur | ITALY
Milan | |
| | SINGAPORE
THAILAND
Bangkok | SPAIN
Madrid | |
| | VIETNAM
Ho Chi Minh City
Hanoi | SWEDEN
Stockholm | |



EXECUTIVE FOREWORD



PHILIP NIXON
EXECUTIVE VICE-PRESIDENT

The North American Marketplace in 2023 presents some very unique challenges and signs of opportunity and recovery in the AEC industry. The following presentation contains a selection of market trend analysis, insights and editorials from WT's roster of experts across our P3 Advisory, Project Management, Project Controls, Real Estate Advisory and Cost Consulting practices, based on observations in the field on active, relevant projects.

On behalf of the entire North American leadership team, it is our hope that you, the reader, find this material timely and enlightening and also see it as a formal invitation for further discourse with our experts across the company.

Included in this document there is a contact sheet with details on engaging several of WT's construction industry professionals across North America.

Thank you for your time and attention and here is to a safe and prosperous 2023.

A handwritten signature in white ink that reads "Philip Nixon".



COST ASSURANCE

**A PROGRESSIVE APPROACH TO ASSESSING
COSTS ON COMPLEX PROJECTS**

CONTRIBUTED BY CHARISSE SOOKOO
ASSOCIATE DIRECTOR



COST ASSURANCE – A PROGRESSIVE APPROACH TO ASSESSING COSTS ON COMPLEX PROJECTS

CHARISSE SOOKOO, ASSOCIATE DIRECTOR - COST CONSULTING



Charisse develops and leads all the commercial aspects of projects from inception to completion. She is excellent with package procurement to deliver projects within deadlines.

CHARISSE SOOKOO
WT
ASSOCIATE DIRECTOR

INTRODUCTION

As projects and programs become increasingly larger and more complex, our experts are seeing a growing trend of progressive and collaborative contract models being implemented across Canada. A key function required for collaborative contracting is **cost assurance**.

Cost assurance is the process of independently and progressively assessing project costs. The cost assurance team should be mutually agreed upon by the owner and contractor(s) and appointed at the outset of the project. Collaborative contract models such as Alliancing, Progressive Design Build and Target Cost Contracts benefit most from a cost assurance function, as the open book nature of the contract provides access to the right level of information to effectively assess costs.

PROCESS OVERVIEW

The contractor's cost management systems and processes will be reviewed at project start-up and the cost assurance team will work with the owner and contractor to agree on a unified process for ongoing assurance activities, setting the tone for collaboration from the outset. Cost assurance activities are then carried out alongside the monthly preparation and submission of payment applications and provide feedback to the contractor and owner on the validity of costs by thoroughly assessing all substantiating information.

This approach results in recommendations by the cost assurance team which advise on the accuracy of costs and typically result in adjustments to amounts incorrectly claimed for reimbursement. The cost assurance team thereby provides an important mitigation measure for owners who are typically subject to a higher cost risk in collaborative contracts which tend to have some element of cost reimbursable arrangement.

Regular and progressive cost assessment provides the cost assurance team with a working knowledge of the project and its stakeholders, as opposed to a traditional cost auditor who would typically undertake a quarterly or half-yearly audit without the added benefit of this regular involvement.

REMIT OF COST ASSURANCE

The cost assurance team's remit covers all aspects of project cost including staff and labour, subcontractor, design, plant and equipment, sundry, insurance, and fee. The process assesses the robustness of the contractor's systems, processes, and data in the following areas:



PRIMARY RECORDS

Are they appropriately produced, maintained, and stored.



COST LEDGER

Is it appropriately managed to interact with all primary records.



CHANGE

Is all substantiating evidence in place, reviewed, and approved.



COST STATUS

Can forecast, committed, and actual costs be clearly identified.



APPLICATION FOR PAYMENT

Are all applied for costs underpinned by source data.



GOVERNANCE

Are all approvals in place and can the decision trail be verified.

PROJECT APPLICABILITY

The benefits of an independent cost assurance function are demonstrated through improved accuracy in project billing and by promoting collaboration between all parties.

The use of cost assurance lends itself towards larger more complex transport and social infrastructure projects and programs, where progressive contract models are more typically employed.

DIFFERENTIATION FROM OTHER SERVICES

In line with the relatively recent emergence of progressive contracting, cost assurance is also a new addition to the Canadian construction market.

It is therefore worth noting some key differences from more commonly recognized roles.

COST ASSURANCE VS. PAYMENT CERTIFIER



COST ASSURANCE VS. LOAN MONITORING



While key differences exist, lessons learned can be taken away from WT's extensive list of additional service offerings and used to inform our approach to cost assurance, particularly from a cost management perspective, where our experts are able to implement best practice process application and our understanding of supply chain's approaches.

FOR MORE INFORMATION ON WT'S COST CONSULTING SERVICES AND EXPERTISE, REACH OUT:

CHARISSE SOOKOO
ASSOCIATE DIRECTOR

charisse.sookoo@wtpartnership.co

P3 ADVISORY
PROJECT DELIVERY
PROJECT CONTROLS
REAL ESTATE ADVISORY
COST CONSULTING



wtpartnership.co