

Risk	Description	PSC Base Cost	Effect on PSC base cost assumption	Impact of risk (R)	Likelihood of risk occurring (%)	Value of Risk (R)	Total Value
Availability risk	Output specifications are not met resulting in cost and time overruns	121 411 999					23 675 340
Below base PSC			0%	-	5%	-	
No change from base PSC			0%	-	10%	-	
Overrun: Likely			15%	18 211 800	50%	9 105 899.96	
Overrun: Moderate			30%	36 423 600	20%	7 284 719.97	
Overrun: Extreme			40%	48 564 800	15%	7 284 719.97	
Planning risk	The project does not comply with the relevant planning, land-use or building regulations or consent is delayed resulting in cost and time overruns	121 411 999					16 087 090
Below base PSC			-5%	(6 070 600)	5%	(303 530)	
No change from base PSC			0%	-	10%	-	
Overrun: Likely			10%	12 141 200	50%	6 070 600	
Overrun: Moderate			20%	24 282 400	20%	4 856 480	
Overrun: Extreme			30%	36 423 600	15%	5 463 540	
Completion risk	Cost and time overruns due to delays in the completion of the project.	121 411 999					28 531 820
Below base PSC			-5%	(6 070 600)	5%	(303 530)	
No change from base PSC			0%	-	10%	-	
Overrun: Likely			15%	18 211 800	50%	9 105 900	
Overrun: Moderate			25%	30 353 000	25%	7 588 250	
Overrun: Extreme			50%	60 706 000	20%	12 141 200	
Cost overrun risk	Actual project costs exceeding projected project costs	224 216 443					16 255 692
Below base PSC			-5%	(11 210 822)	5%	(560 541)	
No change from base PSC			0%	-	10%	-	
Overrun: Likely			5%	11 210 822	50%	5 605 411	
Overrun: Moderate			10%	22 421 644	20%	4 484 329	
Overrun: Extreme			20%	44 843 289	15%	6 726 493	
Design risk	The design may not achieve the required output specifications leading to additional operating costs.	2 220 000					421 800
Below base PSC			-10%	(222 000)	5%	(11 100)	
No change from base PSC			0%	-	10%	-	
Overrun: Likely			15%	333 000	50%	166 500	
Overrun: Moderate			30%	666 000	20%	133 200	
Overrun: Extreme			40%	888 000	15%	133 200	
Environmental Risk	Liability or losses due to environmental damage arising from construction or operating activities.	224 216 443					4 484 329
Below base PSC			0%	-	0%	-	
No change from base PSC			0%	-	0%	-	
Overrun: Likely			5%	11 210 822	0%	-	
Overrun: Moderate			10%	22 421 644	5%	1 121 082	
Overrun: Extreme			15%	33 632 466	10%	3 363 247	
Exchange Rate Risk	Exchange rate fluctuations that impact negatively on the cost of imported inputs.	1 588 171					83 379
Below base PSC			-10%	(158 817)	10%	(15 882)	
No change from base PSC			0%	-	10%	-	
Overrun: Likely			5%	79 409	25%	19 852	
Overrun: Moderate			10%	158 817	20%	31 763	
Overrun: Extreme			20%	317 634	15%	47 645	
Force Majeure Risks	Uninsurable and unexpected events that are beyond the control of any party, whether natural or "man-made" resulting in time and cost overruns.	224 216 443					22 421 644
Below base PSC			0%	-	0%	-	
No change from base PSC			0%	-	0%	-	
Overrun: Likely			100%	224 216 443	1%	2 242 164	
Overrun: Moderate			150%	336 324 665	2%	6 726 493	
Overrun: Extreme			200%	448 432 886	3%	13 452 987	
Inflation Risk	Actual inflation exceeding projected inflation resulting in cost overruns during construction and operation.	226 436 443					2 943 674
Below base PSC			-5%	(11 321 822)	1%	(113 218)	
No change from base PSC			0%	-	10%	-	
Overrun: Likely			1%	2 264 364	50%	1 132 182	
Overrun: Moderate			2%	4 528 729	20%	905 746	
Overrun: Extreme			3%	6 793 093	15%	1 018 964	
Insurance risk	Insured risks becomes uninsurable and/or there are substantial increases in insurance premiums.	650 000					42 250
Below base PSC			-5%	(32 500)	5%	(1 625)	
No change from base PSC			0%	-	10%	-	
Overrun: Likely			5%	32 500	50%	16 250	
Overrun: Moderate			10%	65 000	20%	13 000	
Overrun: Extreme			15%	97 500	15%	14 625	
Interest rate risk	Factors affecting the availability and cost of funds.	224 216 443					4 260 112
Below base PSC			1%	2 242 164	5%	112 108	
No change from base PSC			0%	-	10%	-	
Overrun: Likely			1%	2 242 164	50%	1 121 082	
Overrun: Moderate			3%	6 726 493	20%	1 345 299	
Overrun: Extreme			5%	11 210 822	15%	1 681 623	
Latent defect risk	Loss or damage from latent defects.	224 216 443					15 134 610
Below base PSC			0%	-	5%	-	
No change from base PSC			0%	-	10%	-	
Overrun: Likely			5%	11 210 822	50%	5 605 411	
Overrun: Moderate			10%	22 421 644	20%	4 484 329	
Overrun: Extreme			15%	33 632 466	15%	5 044 870	

Risk	Description	PSC Base Cost	Effect on PSC base cost assumption	Impact of risk (R)	Likelihood of risk occurring (%)	Value of Risk (R)	Total Value
Maintenance risk	Projected cost of maintenance vary from the actual cost of maintenance.	600 000					39 000
Below base PSC			-5%	(30 000)	5%	(1 500)	
No change from base PSC			0%	-	10%	-	
Overrun: Likely			5%	30 000	50%	15 000	
Overrun: Moderate			10%	60 000	20%	12 000	
Overrun: Extreme			15%	90 000	15%	13 500	
Operating risk	Includes any factors impacting on the operating requirements of the project.	2 220 000					144 300
Below base PSC			-5%	(111 000)	5%	(5 550)	
No change from base PSC			0%	-	10%	-	
Overrun: Likely			5%	111 000	50%	55 500	
Overrun: Moderate			10%	222 000	20%	44 400	
Overrun: Extreme			15%	333 000	15%	49 950	
Political Risk	Unforeseeable conduct by any government authority resulting in increased costs.	224 216 443					1 121 082
Below base PSC			0%	-	5%	-	
No change from base PSC			0%	-	10%	-	
Overrun: Likely			1%	2 242 164	15%	336 325	
Overrun: Moderate			2%	4 484 329	10%	448 433	
Overrun: Extreme			3%	6 726 493	5%	336 325	
Regulatory Risk	Consents required that are not obtained and/or can only be implemented at a greater cost.	224 216 443					6 165 952
Below base PSC			0%	-	5%	-	
No change from base PSC			0%	-	10%	-	
Overrun: Likely			5%	11 210 822	20%	2 242 164	
Overrun: Moderate			10%	22 421 644	10%	2 242 164	
Overrun: Extreme			15%	33 632 466	5%	1 681 623	
Sub-contractor risk.	Defaults or insolvency of sub-contractors.	224 216 443					3 139 030
Below base PSC			0%	-	0%	-	
No change from base PSC			0%	-	0%	-	
Overrun: Likely			10%	22 421 644	5%	1 121 082	
Overrun: Moderate			20%	44 843 289	3%	1 345 299	
Overrun: Extreme			30%	67 264 933	1%	672 649	
Utilities Risk	Water, electricity, etc are not available for the project or delays the project.	224 216 443					896 866
Below base PSC			0%	-	0%	-	
No change from base PSC			0%	-	0%	-	
Overrun: Likely			3%	6 726 493	5%	336 325	
Overrun: Moderate			5%	11 210 822	3%	336 325	
Overrun: Extreme			10%	22 421 644	1%	224 216	
Restrictive conditions on title deed	Restrictive conditions on the title deed cannot be removed resulting in time delays leading to escalating costs.	224 216 443					560 541
Below base PSC			0%	-	0%	-	
No change from base PSC			0%	-	0%	-	
Overrun: Likely			0%	-	5%	-	
Overrun: Moderate			5%	11 210 822	3%	336 325	
Overrun: Extreme			10%	22 421 644	1%	224 216	
EIA process on public safety centre	EIA process causes delays or are not granted resulting in time delays and escalating costs.	224 216 443					560 541
Below base PSC			0%	-	0%	-	
No change from base PSC			0%	-	0%	-	
Overrun: Likely			0%	-	5%	-	
Overrun: Moderate			5%	11 210 822	3%	336 325	
Overrun: Extreme			10%	22 421 644	1%	224 216	
Heritage issues	Heritage approval process causes delays or are not granted resulting in time delays and escalating costs.	224 216 443					560 541
Below base PSC			0%	-	0%	-	
No change from base PSC			0%	-	0%	-	
Overrun: Likely			0%	-	5%	-	
Overrun: Moderate			5%	11 210 822	3%	336 325	
Overrun: Extreme			10%	22 421 644	1%	224 216	
Capacity of existing services	Related to utilities risk and incorporated above	-					-
Below base PSC			0%	-	0%	-	
No change from base PSC			0%	-	0%	-	
Overrun: Likely			0%	-	0%	-	
Overrun: Moderate			0%	-	0%	-	
Overrun: Extreme			0%	-	0%	-	
Availability of sufficient space to accommodate all needs	Related to design, availability and cost overrun risk. Incorporated above.	-					-
Below base PSC			0%	-	0%	-	
No change from base PSC			0%	-	0%	-	
Overrun: Likely			0%	-	0%	-	
Overrun: Moderate			0%	-	0%	-	
Overrun: Extreme			0%	-	0%	-	
Affordability	Related to all risks and particularly cost overrun risk. Incorporated above.	-					-
Below base PSC			0%	-	0%	-	
No change from base PSC			0%	-	0%	-	
Overrun: Likely			0%	-	0%	-	
Overrun: Moderate			0%	-	0%	-	
Overrun: Extreme			0%	-	0%	-	
Interruption of ICT	Related to utilities risk and incorporated above	-					-
Below base PSC			0%	-	0%	-	
No change from base PSC			0%	-	0%	-	
Overrun: Likely			0%	-	0%	-	
Overrun: Moderate			0%	-	0%	-	
Overrun: Extreme			0%	-	0%	-	

Risk	Description	PSC Base Cost	Effect on PSC base cost assumption	Impact of risk (R)	Likelihood of risk occurring (%)	Value of Risk (R)	Total Value
Political buyin	Related to political risk but more specific to Bitou Municipal Councilors. Incorporated above.	-					-
Below base PSC			0%	-	0%	-	
No change from base PSC			0%	-	0%	-	
Overrun: Likely			0%	-	0%	-	
Overrun: Moderate			0%	-	0%	-	
Overrun: Extreme			0%	-	0%	-	
Local government elections & change of council	Related to political risk but more specific to Bitou Municipal Councilors. Incorporated above.	-					-
Below base PSC			0%	-	0%	-	
No change from base PSC			0%	-	0%	-	
Overrun: Likely			0%	-	0%	-	
Overrun: Moderate			0%	-	0%	-	
Overrun: Extreme			0%	-	0%	-	
N2 intersection upgrade and cost	Related to design, availability and cost overrun risk. Incorporated above.	-					-
Below base PSC			0%	-	0%	-	
No change from base PSC			0%	-	0%	-	
Overrun: Likely			0%	-	0%	-	
Overrun: Moderate			0%	-	0%	-	
Overrun: Extreme			0%	-	0%	-	
Relocation cost of staff to new building	Related to cost overruns and incorporated above	-					-
Below base PSC			0%	-	0%	-	
No change from base PSC			0%	-	0%	-	
Overrun: Likely			0%	-	0%	-	
Overrun: Moderate			0%	-	0%	-	
Overrun: Extreme			0%	-	0%	-	
Loss of information/records, etc	Related to operating risks but more specific to loss of information required for operation.	2 220 000					144 300
Below base PSC			-5%	(111 000)	5%	(5 550)	
No change from base PSC			0%	-	10%	-	
Overrun: Likely			5%	111 000	50%	55 500	
Overrun: Moderate			10%	222 000	20%	44 400	
Overrun: Extreme			15%	333 000	15%	49 950	
Access to grant funding	Related to affordability and cost overruns due to increased financing costs but more specific to grant funding.	224 216 443					15 695 151
Below base PSC			-10%	(22 421 644)	5%	(1 121 082)	
No change from base PSC			0%	-	0%	-	
Overrun: Likely			5%	11 210 822	50%	5 605 411	
Overrun: Moderate			10%	22 421 644	20%	4 484 329	
Overrun: Extreme			20%	44 843 289	15%	6 726 493	
Labour buyin	Related to political risk even though it is related to labour rather than councilors. Also related to cost overruns and incorporated above.	-					-
Below base PSC			0%	-	0%	-	
No change from base PSC			0%	-	0%	-	
Overrun: Likely			0%	-	0%	-	
Overrun: Moderate			0%	-	0%	-	
Overrun: Extreme			0%	-	0%	-	
Traffic impact	Related to planning risk. Incorporated above.	-					-
Below base PSC			0%	-	0%	-	
No change from base PSC			0%	-	0%	-	
Overrun: Likely			0%	-	0%	-	
Overrun: Moderate			0%	-	0%	-	
Overrun: Extreme			0%	-	0%	-	
Objections by stakeholders to development on specific site(s)	Related to various risks including planning risk. Incorporated above.	-					-
Below base PSC			0%	-	0%	-	
No change from base PSC			0%	-	0%	-	
Overrun: Likely			0%	-	0%	-	
Overrun: Moderate			0%	-	0%	-	
Overrun: Extreme			0%	-	0%	-	
Site not being used to full potential	Related to availability risk. Incorporated above.	-					-
Below base PSC			0%	-	0%	-	
No change from base PSC			0%	-	0%	-	
Overrun: Likely			0%	-	0%	-	
Overrun: Moderate			0%	-	0%	-	
Overrun: Extreme			0%	-	0%	-	
Management and monitoring of PPP contract	Related to operating risk and cost overrun risks. Incorporated above.	-					-
Below base PSC			0%	-	0%	-	
No change from base PSC			0%	-	0%	-	
Overrun: Likely			0%	-	0%	-	
Overrun: Moderate			0%	-	0%	-	
Overrun: Extreme			0%	-	0%	-	
Readiness of municipality to assume responsibilities during and following end of session period	Related to completion, operating and planning risk. Incorporated above	-					-
Below base PSC			0%	-	0%	-	
No change from base PSC			0%	-	0%	-	
Overrun: Likely			0%	-	0%	-	
Overrun: Moderate			0%	-	0%	-	
Overrun: Extreme			0%	-	0%	-	

Risk	Description	PSC Base Cost	Effect on PSC base cost assumption	Impact of risk (R)	Likelihood of risk occurring (%)	Value of Risk (R)	Total Value
Contractors colusions	Related to sub-contractor risk and cost overrun risks. Incorporated above	-					-
Below base PSC			0%	-	0%	-	
No change from base PSC			0%	-	0%	-	
Overrun: Likely			0%	-	0%	-	
Overrun: Moderate			0%	-	0%	-	
Overrun: Extreme			0%	-	0%	-	
Developer stopping office development if issues experienced on other properties part of transaction	Related to sub-contractor risk and cost overrun risks. Incorporated above	-					-
Below base PSC			0%	-	0%	-	
No change from base PSC			0%	-	0%	-	
Overrun: Likely			0%	-	0%	-	
Overrun: Moderate			0%	-	0%	-	
Overrun: Extreme			0%	-	0%	-	
Unacceptable bid scenario (due to properties being offered / incl procurement / meeting of criteria & municipal objectives)	Related to design, availability and cost overrun risk. Incorporated above.	-					-
Below base PSC			0%	-	0%	-	
No change from base PSC			0%	-	0%	-	
Overrun: Likely			0%	-	0%	-	
Overrun: Moderate			0%	-	0%	-	
Overrun: Extreme			0%	-	0%	-	
Objections by surrounding land owner related to surrounding land development potential	Related to political risk and planning risk. Incorporated above.	-					-
Below base PSC			0%	-	0%	-	
No change from base PSC			0%	-	0%	-	
Overrun: Likely			0%	-	0%	-	
Overrun: Moderate			0%	-	0%	-	
Overrun: Extreme			0%	-	0%	-	
Potential loss of revenue for businesses when municipality move out of existing CBD	Not a risk that the municipality could assume	-					-
Below base PSC			-5%	-	5%	-	
No change from base PSC			0%	-	10%	-	
Overrun: Likely			15%	-	50%	-	
Overrun: Moderate			30%	-	20%	-	
Overrun: Extreme			40%	-	15%	-	
Lack of availability of commercial, retail and recreational facilities at new site	Not a risk that the municipality could assume	-					-
Below base PSC			-5%	-	5%	-	
No change from base PSC			0%	-	10%	-	
Overrun: Likely			15%	-	50%	-	
Overrun: Moderate			30%	-	20%	-	
Overrun: Extreme			40%	-	15%	-	
Pedestrian safety	Related to planning risk. Incorporated above.	-					-
Below base PSC			0%	-	0%	-	
No change from base PSC			0%	-	0%	-	
Overrun: Likely			0%	-	0%	-	
Overrun: Moderate			0%	-	0%	-	
Overrun: Extreme			0%	-	0%	-	
							163 369 045