

Introduction and Outline

Understanding Cost Estimating is for anyone who needs to understand how the bottom line figures have been reached in estimating the costs of construction, with an emphasis on litigation claims.

We understand that construction cost estimates can be cumbersome and confusing. Cost estimates in construction litigation come in many different forms, and contain varying degrees of information. We will help you cut through the haze surrounding cost estimating and focus on components every cost estimate should have, how cost estimates are created, why estimating for construction litigation can be different than estimating for construction, how burden is calculated and what it means, understanding allocations and lots more.

Pete Fowler is active as a California General Contractor, Certified Professional Cost Estimator, Certified Inspector, Construction Consultant, author and speaker regarding construction topics. Focusing on construction projects and buildings suffering distress, Mr. Fowler has analyzed damage, performed testing, specified and overseen repairs, performed repairs as a contractor and testified on a wide variety of construction issues.

Outline for Understanding Cost Estimating

By Pete Fowler, CPE

General Discussion

- Estimating vs. Pricing
- Build the project on paper before the real world
- Levels of detail in estimating
- All assumptions should be documented
- Stick by Stick vs. Unit Pricing
- Estimating for Construction vs. Estimating for Construction Defect Litigation
- Historical Records/Proprietary Databases
- Estimating is not difficult, but it can be complicated (lots of pieces)
- Estimating Fundamentals Diagram
- Construction Cost Flow Chart

Components of an Estimate

- Summary
- Details
- Units (LS, SF, LF, Etc...)
- Labor Cost
- Material Cost
- Sub-Bids
- General Conditions
- Quantity Take Off Sheets / Information
- Unit List
- Construction Specifications Institute Codes and Trades List
- Resources
- Relocation

Estimate Analysis

- Burden
- Double Dipping
- Allocation of total project cost to subcontractors and others
- Certification of Cost Estimators
- Problems with Construction Defect Estimates