

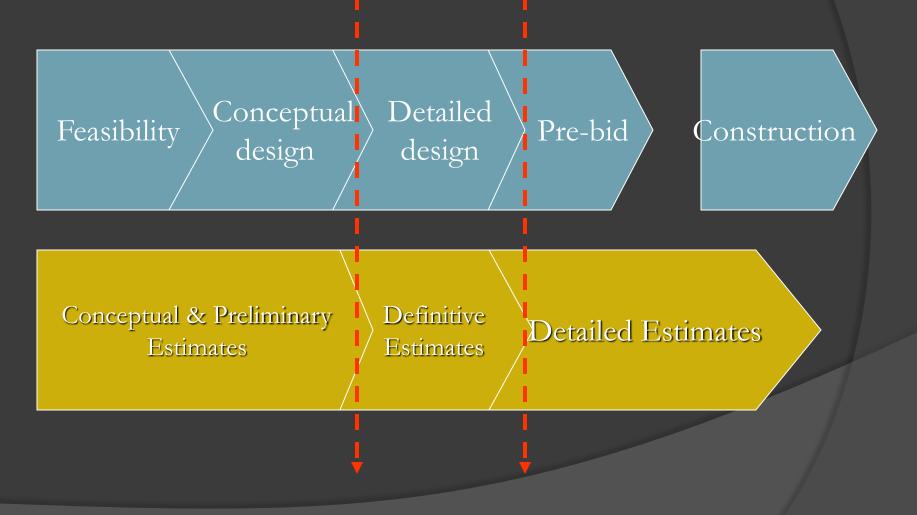
Salahaddin University Colege of Engineering Architectural Engineering Department 5th Stage 2022-2023 Estimation and SpecificationS

# TYPES OF ESTIMATION

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# Design & Estimating Process



## Purpose of An Estimate

To know in advance the expected cost in varying degree of accuracy, at different phases of the project.

#### **Owner's Purpose of Estimate**

- 1. Making investment decisions in the conceptual stage.
- 2. Negotiate and finalize the contract at the implementation phase.
- 3. To implement cost control measures.

## Contractor's Purpose of Estimate

 Determine project cost and profit.
 To Implement cost control measure.
 To develop data base for that can be used for future project.

# Engineer's Purpose of Estimate

1.Provide the owner with probable estimate.

2. Evaluate alternatives.

#### Comparison of Contractor's and Engineer's Estimator

#### Contractor's Estimator

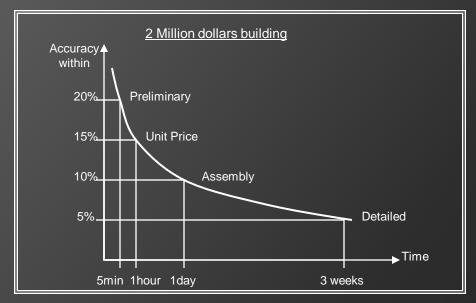
- Determines actual cost of project for bidding purposes.
- Has detailed company cost data for labor and equipment.
- Knows which construction methods are to be used.
- Has knowledge of actual materials suppliers to be used and quantity discount prices.

- Engineer's Estimator
  - > Determines expected cost.
  - Does not know who will receive award, therefore does not know contractor's exact resource costs. Does not know actual labor rates.
  - Must assume probable construction methods to be used.
  - Does not know who project supplier will be. Must use local list prices.

### TYPES OF ESTIMATES

#### 1. Preliminary

- 2. Unit price
- 3. Assembly or Conceptual Cost
- 4. Detailed estimate



Each phase of a project life cycle requires a different type of estimate--each estimate requires different types of information.

## 1. <u>PRELIMINARY ESTIMATE</u> "ORDER OF MAGNITUDE"

- A cost prediction based solely on size and/or capacity of a proposed project.
- > Before any engineering or design is completed.

4number of beds in hospital
4square meter of office space
4number of students in school

## **Preliminary Estimate**

#### Advantageous

- Allows a quick determination of the feasibility of a project
- A quick screening on alternatives, etc. (e.g., should it be a concrete building or a steel building !).

#### Purpose:

- 1. Ranking alternatives
- 2. Evaluate economics and financial feasibility
- 3. As a check on more detailed estimates

#### 1. Example of Preliminary Estimates

 Parking Garage \$150.0/m<sup>2</sup> or \$3750/parking space
 High School \$80 to 110/m<sup>2</sup> or \$4,000/ student seat
 Medical Centers \$90 to 130/m<sup>2</sup>

# 2. UNIT PRICE ESTIMATE

- > Unit prices are obtained from data on projects already performed.
- Cost of labor, material, and equipment for all units of work are added together and divided by the number of units involved.

#### EXAMPLE OF UNIT PRICE ESTIMATING

Work Item	Estimated Quantity	Unit Price	Total
Site Preparation Earth Excavation Paving	50,000 m² 100,000 m³ 50,000 m².	\$ 7 \$ 12 \$ 8	\$ 350,000 \$ 1,200,000 \$ 400,000
Total bid price			\$ 1,950,000

#### 3. ASSEMBLY OR CONCEPTUAL ESTIMATE

- Performed when conceptual design decisions are being made.
- Work package concept can be used to determine the element or assembly to be studied
- We need a breakdown of cost of a completed project into its functional elements to:

#### 4. DETAILED (DEFINITIVE )ESTIMATE

- Prepared after drawings and specification are completed.
- Requires a complete quantity takeoff based on drawing and the complete set of contract documents
- Need information on labor rate "productivity", material cost, cost of renting or purchasing equipment

# QUESTIONS?