



**COOPERATIVE INCLUSION PLAN (CIP)  
HEAVY HIGHWAY WORKSHOP**  
Basic Approach to Estimating

Wednesday, March 11, 2015

# ESTIMATOR

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An individual who has the capability to take preliminary drawings and provide a complete and detailed estimate. They need to understand the drawing design process and provide an estimate that is comprised of a fully functional working systems per the plans or narrative. The estimator needs extensive experience in both design and estimating fields which enables them to provide the most accurate estimate with minimal drawings and information.

# ESTIMATING IN CONSTRUCTION

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All projects require an immense coordination effort, and as the project unfolds design changes may dramatically affect cost and scheduling. These changes result in undesirable design compromises, cost and schedule impact. The estimator must be able to understand this to cover cost with a percent of profit.

# WHAT SIZE PROJECTS SHOULD I TARGET?

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- ✘ What is the experience of my team?
- ✘ Will I be able to cover payroll till my first draw?
- ✘ What is the stability of who I'm bidding to?
- ✘ What is the duration of the project? Will it consume my recourses?
- ✘ Why is backlog important?
- ✘ What are the bonding and insurance requirements?

# UNDERSTANDING YOUR BUSINESS AND YOUR MARKET

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- ✘ How do I separate myself from my competition?
- ✘ How does your competition market?
- ✘ Do I know the business I'm in?
- ✘ What is the typical margin for this work?
- ✘ What owners/agencies do you know and should I work with?
- ✘ What potential firms should I work for?
- ✘ If you don't know who you are bidding to what is your % to win?

# CONTRACT TERMS / BASIC FORMS

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## ✘ Invitation to bid

- + Plans and Specs - Lump Sum
- + Request for Qualifications (RFQ)
- + Request for Proposal (RFP)
- + Fee and General Conditions
- + Bonding / Insurance
- + Experienced Modifier Rate (EMR)
- + Contracts

# LABOR / COST CONTROL

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- ✘ The Take-off
- ✘ Quotes
- ✘ Labor (Man Power)
- ✘ Labor rate (Including Insurance and Overhead)
- ✘ 3rd Tier subcontractors
- ✘ Mark up
- ✘ The hush, hush word (Profit)

# WHAT MATTERS TO GENERAL CONTRACTORS

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- ✘ Experienced Team
  - + Do what you say
  - + Company History - What you have done?
  - + Pre-Construction Services
  - + Embrace Leadership in Energy and Environmental Design (LEED) - Standard for green building design
  - + Embrace Building Information Modeling (BIM) - Intelligent 3D model-based process for planning, design, construction, and management of buildings and infrastructure.
  - + Community Involvement
  - + Open Book Approach



# WHAT MATTERS TO GENERAL CONTRACTORS

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- ✘ Safety & Quality Control
  - + EMR
  - + Safety Program
  - + Quality Installations
- ✘ Available Workforce
- ✘ Financially Stable
- ✘ Bonding
- ✘ Insurance
- ✘ Good to be in Texas

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# LESSONS LEARN IN ESTIMATING

# CONTACT US

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