



Cost Estimating Tips

Tips for Cost Estimating

1. Read the MnDOT Statewide Scoping Process Manual and seek clarifications if necessary. Review the relevant scoping worksheets that apply to your project.
2. When determining the estimate basis for a project:
 - visit the site in person
 - review all available documents and design parameters relating to the scope
 - account for unique project location characteristics
 - review aerial photos and/or video logs
 - document the key estimating assumptions including factors that need further investigation, and
 - establish an estimate file in which estimate calculations will be placed over the life of the project
3. When preparing the Base Estimate in the Scoping phase, recognize complexity and the work that needs to be done to minimize uncertainty such as stakeholder involvement and permits to be documented. If appropriate, call suppliers or specialists to get ideas about cost, contact city/county engineers to discuss local issues, utilities, and use the expertise of offices within the agency such as Right-of-Way, Materials, Central estimating group, and the Bridge Office. For example: operations and maintenance personnel are aware of problems that are not apparent from a cursory site review.
4. Consider risk and contingency for project uncertainties and consider the impact of factors that are off the roadway section (e.g., potential third party impacts on scope or schedule), such as municipal consent, inflation, utilities, and fluctuating market conditions. Consider how such factors impacted projects in the past and consider their potential impact in the context of your project
5. When preparing the cost estimate document the level of detail to which the design basis and the project definition are complete. Document the base estimate in each account and the contingency amount separately to facilitate tracking of deviations.
6. When reviewing the total estimate, engage knowledgeable and experienced individuals who are independent from the project and perform reviews in each project development phase.

Tips for Cost Management

7. Obtain approvals at milestone points during project development. Consider using peer reviews if agency procedures do not have an approval point but the project team sees value in a peer review involving knowledgeable and experienced individuals from outside the project team, prior to key milestones.
8. Remain very open with everyone and foster disciplined communication of the uncertainty, importance and meaning of any estimate.
9. Promote objectivity/impartiality by protecting estimators from internal and external pressures to deviate from established estimating guidelines or approved planning/scoping reports.
10. Document updates to the Base Estimate and the use of Project Contingency, in each project development phase, with reference to the scope, cost, and schedule that correspond to the prior approved estimate.
11. Keep District/Bridge Management informed about project changes and external impacts that affect the baseline/project budget and have procedures in place that restrict changes unless approved by the appropriate authority.