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Dakota County Jail

Dakota City, Nebraska

Architect: HMN Architects, Inc.

Associate Architect: Cannon Moss Brygger & Associates, P.C.

Cost Estimators Say It With Numbers

By Fred Mulligan

Setting appropriate expectations and managing them is the key to client satisfaction. If there is any doubt whether this is true, promise a child a trip to the ice cream parlor and fail to deliver. The issue will become quite clear.

Building projects are by nature complex. One of the challenges to success is the multiplicity of goals that must be met including: quality, aesthetics, functionality, safety, schedule and budget. Some of these variables are more measurable than others. Debates regarding aesthetics are endless with consensus difficult to achieve. Quality and even functionality are often in the eye of the beholder. Ask three people what they mean by a "major" problem and you'll get three very different answers.

Within this myriad of goals that must be met there is one that is very measurable, however, and that is budget. FTD had an ad campaign slogan "Say it with flowers". Cost estimators "say it with numbers" and once they do, all project participants understand the goal quite well. Dollars are a definitive common denominator.

Projects follow an evolutionary process that begins with very preliminary programming and schematic information and ends with working, contract documents that describe every nut and bolt required. A major challenge for an estimator is to provide reliable cost information during this entire evolutionary process.

There are a number of critical points to consider:

- There is a difference between precision and accuracy. All estimates, whether at the feasibility or bid stage, should be accurate. What should change is their degree of precision.

- Communication is key. A complete set of working documents (drawings and specifications) are a communication tool intended to provide 100% of the information required by an estimator. At earlier project stages, the estimator still needs 100% information. To the extent that the contract documents are not available, other communication tools must be utilized, such as the program, meeting notes, and dialog.

- Motivation must be understood clearly. An owner establishing a budget to present to an approving board will want a comprehensive budget with adequate contingency. That same owner, managing the same project, will want as tight an estimate as possible at the bid stage.

- The assignment and timing of risks is a huge concern that impacts estimate preparation. It must be clear who the chicken and the hog is in the ham and egg breakfast. (The chicken was involved; the hog was committed).

- While they may seem simpler, the early, conceptual estimates are the toughest requiring the greatest skill. The skills are a combination of imagination and analysis, exercising both the right and left hemispheres of the brain.

- It is important to understand the entity performing the estimate. General contractors typically bid complete documents pricing only what is clearly required by the documents. Consultants and CM's are typically in an advisory role. Design-builders are accustomed to producing accurate estimates early in the process and often take the risk sooner too.

Completing a project within a budget is no mean feat for a project team. With the right skill, motivation and teamwork, it is possible however. As long as the communication pipeline is open and the right expectations are set, those expectations can be met. The satisfaction is as great or greater as when you do take that child for ice cream. Be sure to have some yourself. You earned it.

About the Author: Fred Mulligan is the president of Cutler Associates www.cutlerassociates,inc.com, and is a leading expert on design-build and an outspoken advocate of collaborative approaches to design and construction projects. Mr. Mulligan is a registered professional engineer and a certified design-build professional with thirty years of construction experience.

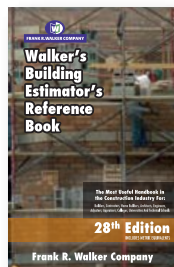
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