

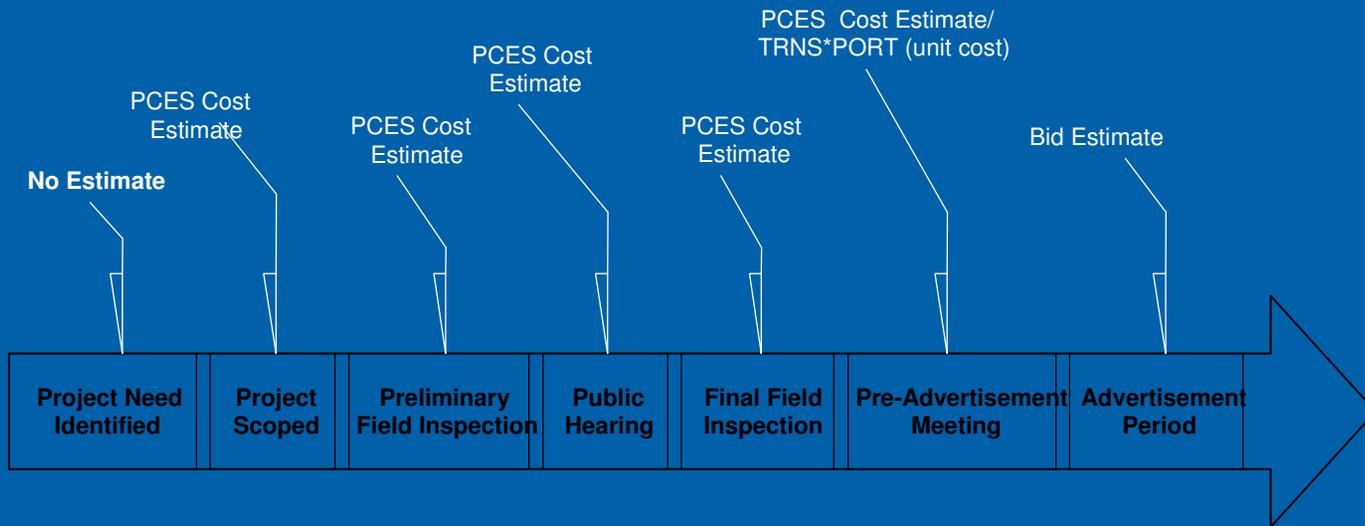
 **VDOT**

The logo for the Virginia Department of Transportation (VDOT). It features a stylized orange symbol on the left, which is a thick, curved line that starts at the top left, curves down and to the right, and then curves back up and to the right. To the right of this symbol, the letters "VDOT" are written in a bold, blue, sans-serif font.

# Project Cost Estimates

W. Byron Coburn, Jr., P.E.  
Schedule and Contract Engineer  
February 15, 2007

# Evolution of Cost Estimates



**Chronology of Estimating:**  
 Stage of a Project is shown, along with the  
 Type of Estimate associated with it

## Designer's Estimate:

- < 75% complete – PCES (feature cost)
- > 75% complete – TRNS\*PORT (unit cost)

## Bid Estimate:

- Completed plans- advertised
- VDOT's bid

- Based on Market Value
- Evaluate bids received for award or rejection
- Analyze bids for unbalancing
- Bid Estimate not subject to Freedom of Information Act. *Highway Laws of Virginia in Chapter 43 (Virginia Public Procurement Act), article 2, section 2.2-4342*

## To Low Bid:

- Bids below Bid Estimate by more than 25% and 25% below the 2<sup>nd</sup> bidder are noted for extended review and discussion with the contractor.

## To High Bid:

- If low bid is more than 7% above the Bid Estimate, the estimator investigates for justification to recommend award or reject.

Determine current market value  
for project bid

Estimating is NOT an exact  
science. Contractor's bids  
typically have high to low range  
of 40%. Delete the high bidder -  
- range often still exceeds 20%.

**COMPETITION DRIVES BIDS!**

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