

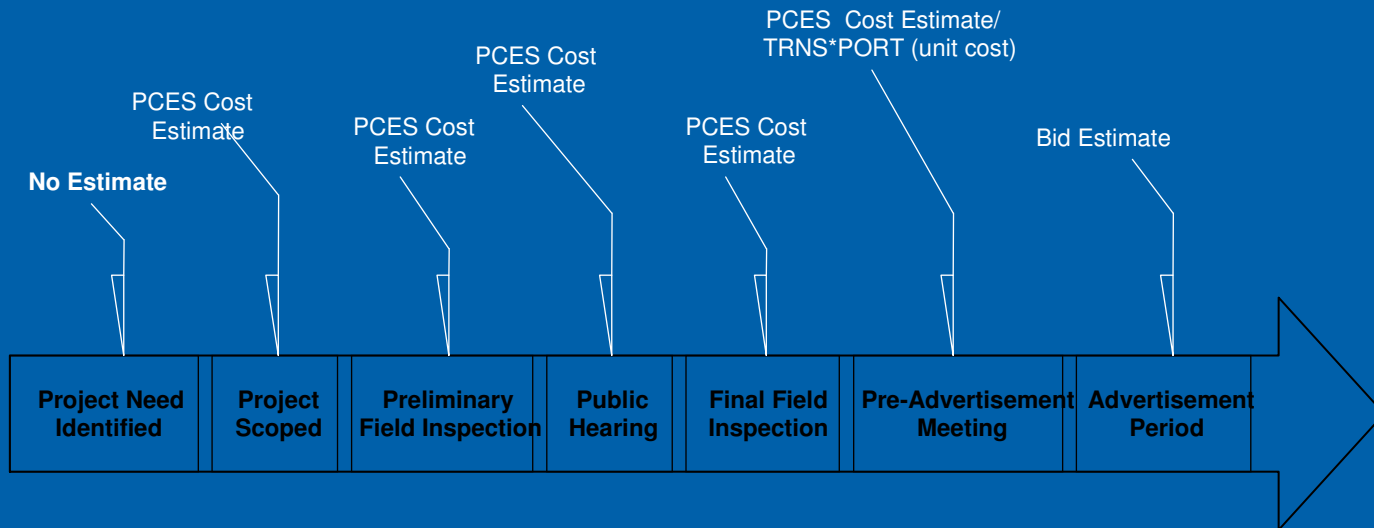
 **VDOT**

The logo for the Virginia Department of Transportation (VDOT). It features a stylized orange symbol on the left that resembles a road or a wave, followed by the letters "VDOT" 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 2nd 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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