Estimating Services:

One of the most often used Facilities Management services is preparing cost estimates for various departmental work requests. However, estimating is also an area where there is a great possibility of misunderstanding and unmet expectations if the limits of a given type of estimate are not clearly communicated. To help address this issue and to meet customer requests for other pricing options for construction work, Facilities Management has developed three different types of cost estimates to meet the project needs encountered most often.

**Informational Budget Estimate** - Useful for budgeting purposes, to get an order of magnitude of the potential project cost and for quick response to jobs with little cost risk.

**Job Cost Not to Exceed Price** - For moderate size projects typically under $30,000 with moderate cost risk, and for "fast track" projects that cannot wait for full detailed design completion and for those customer's whose need justifies the additional cost exposure.

**Construction Quote** - For larger projects, typically greater than $30,000, that have a clearly defined scope of work, are planned well in advance to allow for design development and detailed estimating, or for those projects that are complex in their technical requirements or construction scheduling.

Why Three Different Types of Estimates?

Each increasing level of estimate produces a more accurate cost, but also requires a greater investment in engineering and architectural design, drafting services and craft shop investigation. The objective of providing different estimate levels is to balance several competing factors:

- The level of estimate accuracy versus the cost risk.
- How quickly the customer needs a response relative to sharing that cost risk.
- The available project lead-time.
- The most effective use of limited design and estimating resources.
- The likelihood of whether or not the project will actually progress to construction.

The three types of estimates and their primary characteristics are summarized below:
<table>
<thead>
<tr>
<th>Estimate Type</th>
<th>Pricing Structure</th>
<th>Estimate Basis</th>
<th>General Accuracy</th>
<th>Design Deposit Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Informational Budget Estimate</td>
<td>Information Only Non-Binding, no limit on cost but allows (10 working days)</td>
<td>Schematic Design Scope of Work based on genl. estimating references</td>
<td>Estimated Cost with a 20% Contingency Estimate</td>
<td>No charge or obligation for Informational Budget Estimate</td>
</tr>
<tr>
<td>Job Cost Not-to-Exceed</td>
<td>Customer Pays Actual Cost up to NTE Amount (30 work days)</td>
<td>Preliminary Design Development and Operations Review</td>
<td>Not-to-Exceed with a 15% Contingency Estimate</td>
<td>Requires a 4% deposit, $50 minimum, --credited to job at construction</td>
</tr>
<tr>
<td>Construction Quote</td>
<td>Guaranteed Fixed Price to Customer (Min.12 wks)</td>
<td>Construction Documents &amp; Detailed Estimate</td>
<td>Fixed Price, No separate Contingency Estimate</td>
<td>Requires a 6% deposit, credited to job at construction</td>
</tr>
</tbody>
</table>

An estimate is not required to have work done by Physical Plant. In fact, most projects by Facilities Management are done without an estimate estimate. If you do not need an estimate or cannot wait for one to be generated, call the Service Center at 5-5050 for a direct work request.

Projects usually require coordination between a number of different areas of Facilities Management. Routinely, projects are evaluated for heating and air conditioning capacities, electrical service needs, plumbing requirements, and interior finishes such as paint and carpet. Projects involving departmental moves or change of space use are reviewed by Facilities Planning for consistency with campus space use guidelines and to insure accuracy of the UA facilities space database. All projects that reduce classroom space require approval by the Vice Chancellor for Academic Affairs.

During project estimate development, an evaluation is made as to whether the project will be done by Physical Plant or an outside contractor. Every attempt is made to determine this early in scope development. The decision to use Facilities Management Operations or a contractor partially determines the extent of design work and sets the project timetable. Operations is consulted about general project scheduling and coordinating to estimate project completion dates and coordinate critical deadlines. The section below, "Project Construction Scheduling" has more information on the sequence of events in a project.
Estimate pricing prepared by Estimating Services is valid for 45 days from the date of the estimate response. If you are unable to act on your project within that period, estimates are kept on file for 18 months. Call the Project Estimator and the estimate can be placed back into the estimating queue, and updated. Estimate requests are generated on a first come-first served basis. Also, the higher level estimates take priority, as these estimates are more likely to be scheduled into construction and therefore have critical time schedules. Design Deposits are held until the project goes to construction, or for 12 months, at which time they are forfeited.

**Requesting an Estimate**

To get your request started, simply complete the PROJECT ESTIMATE REQUEST form available from Facilities Management. Note that the form must be signed (not stamped) by the appropriate Dean or Director of the Department. The form can be sent to Estimating Services by campus mail or by faxing it to Facilities Management at 5-7268 and following up with the original.

**Project Construction Scheduling**

The three questions most often asked when submitting an estimate request is "How much is this going to cost, when can the work get started, and how long will it take to complete?" These questions cannot be answered at the beginning of the Project Development Process. The cost estimate is provided after Schematic Design is completed and the scope of work is established. Construction Scheduling occurs later in the process, after final construction drawings and specifications have been completed and approved by the requesting department and Facilities Management.

1. Define a Scope of Work and a Schematic Design for the Project  
   (What is it you want the project to accomplish?)

2. Generate an Informational Budget Estimate (Can you afford the project at this point?)

3. Complete Design Development and Secure Project Funding  
   (Get specific about the project design and develop preliminary plans)

4. Complete the Set of Construction Documents and Final Cost Estimate (Final design work, detailed plans and specifications, and project cost)

5. Support Field Construction and Start Up

A project can take a minimum of 2 to 3 months from the time you request an estimate until your project is scheduled for construction. The more advance notice you can
provide Facilities Management about your project, the more likely the project will have a successful outcome that will meet your needs.

Projects constructed by Facilities Management are generally scheduled, coordinated, and completed more quickly than projects that are constructed by outside contractors because of the time required to bid the project. Facilities Management tries to limit the size of construction projects to approximately $50,000 or less to insure that ongoing maintenance responsibilities can be handled expeditiously.

Projects that require an outside contractor or consultant are usually larger in total dollar cost or those where Facilities Management is unable to meet the project criteria. Contracted projects require significantly more time to move through the project development process, particularly in the latter stages.

Revised November, 1998
Revised October 1, 1994