

# COST ESTIMATING, BIDDING & COST CONTROL



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## COURSE OBJECTIVES:

- OVERVIEW OF CALTRANS SPECIFICATIONS
- UNDERSTANDING THE BID & PRICING PROCESS
- UNDERSTANDING THE CALTRANS BID FORMAT

## **CONTRACTUAL REQUIREMENTS AND GENERAL CONDITIONS**

- Contractual requirements and general conditions  
*(Please Refer to Attachment #1: Generals & Subcontractors: Contractual – Working Relationships)*
- Bonding and insurance requirements
  - As a Prime
  - As a Sub
- The Pre-Bid Conference / Job Walk
- Union / Non-Union Issues during bidding
- General Contractor outreach to Subcontractors  
*(Please Refer to Attachment #2: Ad for Sub Bids, Attachment # 2a: Invitation to Bid)*
- Subcontractor outreach to General Contractors

## CONTRACTUAL REQUIREMENTS & GENERAL CONDITIONS (CONT'D.)

- The Scope Letter
  - *Please Refer to the following:*
    - *Attachment #3: "Submitting Your Scope Letter Bid"*
    - *Attachment #4: "Scope Letter Template"*
    - *Attachment #5: "Sample Scope Letters"*

## **ESTIMATING THE PROJECT**

### **OBJECTIVES:**

- EFFICIENTLY ESTIMATING THE JOB  
IN A TIMELY MANNER
- BID CONCEPTS & STRATEGIES

## ESTIMATING THE PROJECT

### TOPICS:

- Definition & Cost of General Conditions
  - a. Insurance requirements
  - b. Schedule requirements
  - c. Staffing requirements
- Deciding on what work to do in house.
- Engineer / Architect's Estimate - What does it mean?
- Determining overhead costs
- Cost of Sub bonds - *Who pays?*
- Determining labor & equipment costs  
*(Please refer to Attachment #6: "Typical Wage Rate-Cost Breakdown")*

## ESTIMATING THE PROJECT

### **OBJECTIVES:**

- UNIT PRICE BID COSTING
- WORK TASK COST COVERAGE
- UNIT PRICE SPREADSHEET FORMAT

## ESTIMATING THE PROJECT

### TOPICS:

- Unit pricing - Definition of Pay Quantities
- Unit Pricing Spreadsheet Format (*Please refer to Attachment #7: "Unit Price Bids Spreadsheet"*)
  
- Cost & Distribution of General Conditions
- Engineer / Architects Estimate vs. Your Price
- When to bond a sub & how to price - "*Who Pays*"?
- Quantity Take-offs & Pricing
- Bid Day Logistics
  - a. Bundling & Breakout of Bid Items
- Your Subcontract as compared to your Scope Letter



## **COST CONTROL PRACTICES**

### **OBJECTIVES:**

- SETTING UP JOBSITE BUDGET
- TRACKING COSTS & INPUT TO BOOKKEEPING
- MONITORING PROGRESS & TROUBLESHOOTING

## **Cost Control Methodology**

### TOPICS:

- Setting up the budget - Software?
- Cost code assignments
- Purchase Orders & Subcontracts
- Time Sheets
- Measuring Productivity
- Management Options for Cure

Questions?

**Thank You.**

