COST ESTIMATING, BIDDING & COST CONTROL

The contents of this training course reflect the views of the author who is responsible for the facts and the accuracy of the data presented herein. The contents do not necessarily reflect the official views or policies of the State of California or the Federal Highway Administration. This course does not constitute a standard, specification, or regulation.
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 contracts - 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.

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