There’s More to Estimating Than Just Numbers

Some of us are required to only estimate and sell work. In my area of the country, most of us also have to manage our projects. For us, the euphoria we feel when we are awarded a project is brief; we also know that it is time for the real work to begin.

The real project management work is done before any work is performed on a project. In many cases, there might be plenty of time to get everything done, but often, we are given the contract with too little time to get everything set up properly. In either case, I have a list of pre-construction project management items that need to be done before we send crews to the job. I look at this as one of those “pay me now or pay me more later” things. Needless to say, when I am doing the final project negotiations, I do so knowing how much time we have to pre-plan the project.

The first thing that must be done is to go back through the drawings and find any questionable issues or details. I make a list of those things while I am estimating, just in case my bid is successful. But when we’re awarded the contract, things are different. I go through the drawings with a much more critical eye, and usually with the foreman who will be assigned the project. We look for anything that is not clear. I send all those issues to the general contractor for clarification and direction.

Another very important reason to review the drawings with our field staff is for value engineering reasons. We try to find better and more efficient ways to perform the work and accomplish the intent of the designer. Many times, this results in big savings for us as well as for the GC and owner. In any case, we will need approval prior to beginning the work.

Typically, the answers to our questions result in pricing exercises, and the change-order process begins. I prefer this to happen before we start work. I can prepare the information for my foreman one time only, and the information will be complete.

One of the results of going through the contract documents is to come up with a game plan and figure out what materials and labor will be needed. That plan must be communicated to the foreman. I color the drawings for my foreman to communicate what size and gauge of stud I ordered for every partition.

There are other things I have to cover when I meet with the foreman. We must look at the drawings for safety issues, scaffolding requirements, stocking problems, and decide what equipment we will need. It is very important that we also address trade-coordination issues. Finally we decide how we will monitor the budget for the project, specifically what labor codes we will use and what areas the project will be divided into. By including the foreman in this decision, I have learned that the production information we gather throughout the project is more accurate.

Once all of the above is done, I meet with the GC and go over our plan. For our plan to be successful, it also has to become his plan too.

Now it is time for me to prepare the budgets. Now that we know what we need to do, I can completely evaluate what labor is needed. To do this, I use our history on labor productivity, and in some instances, I have to collaborate with the foreman. I now also prepare the material stocking reports. Both the labor budgets and the material stocking reports are prepared by area, just as discussed and agreed on with the foreman.

Many estimators will point out that I haven’t mentioned the bid. That’s because when we are awarded the contract, the bid doesn’t matter anymore. The bid materials will be changed by this process, and so will the labor. Hopefully more profits will be predicted as a result of planning, but the opposite can happen, too.

As you can see, this is quite a process. I wish I could reduce or eliminate steps from it, but everything is important. Once I started doing this, I found that most of the demands on my time during the project disappear. By spending this time at the beginning of the project, our projects have been more successful financially.

Comments? Fax comments to (703) 534-8307.