A Truly Great Estimator Responds

“You never know what you don’t know until you know.” I start this month’s article with these words because I am writing in response to an article that appeared in April’s AWCI’s Construction Dimensions. I am speaking about the article titled The Art of the Bid by S.S. Saucerman. In his article, the author discusses the “human intuitive qualities that separate the good estimator from the truly great.” While this is a worthy subject, the perspective of the article illustrates a lack of understanding that the typical estimator for a general contractor has for the tasks we specialty contractor estimators have to perform on a daily basis.

He wrote: “Estimating the cost of a construction project—whether it be the smallest garden sheds or the most massive skyscraper—is still at any level only a game of Tinker Toys.” With all due respect to the author and his 26 years of experience at the general contractor level, this statement clearly shows that the GC has no clue as to the difficulty subcontractors have in determining what the cost should be for a project, and he has no idea of what skills an estimator must have to become a truly great estimator for a subcontractor.

To be a truly great estimator, you must first have the uncanny ability to get inside the head of the architect and understand his “intent.” Today more than ever, the drawings are not complete. The estimating process must be based on the ability of the estimator to understand what it is the architect wants. Estimates have to be based on something, and in the absence of clear details, the estimator must substitute his/her own knowledge and experience.

That being said, to become a truly great estimator, you must have a thorough knowledge of trades you estimate and to acquire that, it usually takes years of experience. Since most architects do not know what types of materials are best used for specific instances, and/or they do not know how to detail the construction processes necessary to construct the building, the estimator must be able to provide that knowledge.

One of the most difficult things in estimating for a specialty contractor is to accurately estimate the costs for labor and material. This is where the GC estimator has no real understanding of our work—and why should he? Estimating for a GC typically means that you are able to get input from and base your price on the bids of others—so why would you ever have to understand how difficult it is to accurately estimate costs?

The truly great estimator must be able to predict labor costs. This is the most difficult thing we do. Why? First, most of us do not keep accurate records of productivity, so we don’t have a good basis of historical data to use to guess the rate. Since labor is a substantial percentage of our estimated costs, we have to do a lot of guessing, and the truly great estimator must be able to consistently guess accurately. A too-high evaluation of costs means we will not be successful bidder, and a too-low evaluation means we will not be a successful contractor. Second, there is a good deal of change from project to project that substantially affect labor productivity. For example, a soffit seems like a simple thing to quantify and estimate, but a soffit can be a simple drop framed from a suspended ceiling, or it can be a complex metal framed system supported using all kinds of angles, bolts and welds that make the lineal foot price so completely different. Finally, there are many intangibles to predicting costs. Construction sequence and/or schedule, safety and access to the work all can substantially alter costs. These costs are not known at the time of bid, but the truly great estimator must be able to gather all the information and make a guess that will stand the test of time.

In conclusion, I say to the author, that estimating costs is not similar to a game of Tinker Toys, and I take offense at the comparison of the work that I perform to such a childish act. But, you don’t know what you don’t know until you know. I would love for you to spend some time as an estimator for a specialty contractor, not just as an observer, but as someone whose career and livelihood depends on your ability to accurately predict costs. Maybe then you will be able to know the skills necessary to become a truly great estimator.

Comments? Send your e-mails to porinchak@awci.org, or fax to (703) 534-8307.