



Organizing Your Estimate

by

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GOALS

- ✓ **Organize a complete estimate.**
- ✓ **Understand what General Conditions are and identify what is needed.**
- ✓ **Learn new strategies to competitively price General Conditions.**
- ✓ **Provide an efficient bid package**

BLUE PRINT TO GENERAL CONDITIONS

- ✓ Request for Quotations
- ✓ Bid Documents
- ✓ Specifications
- ✓ Drawings
- ✓ Owners/CMs Contract



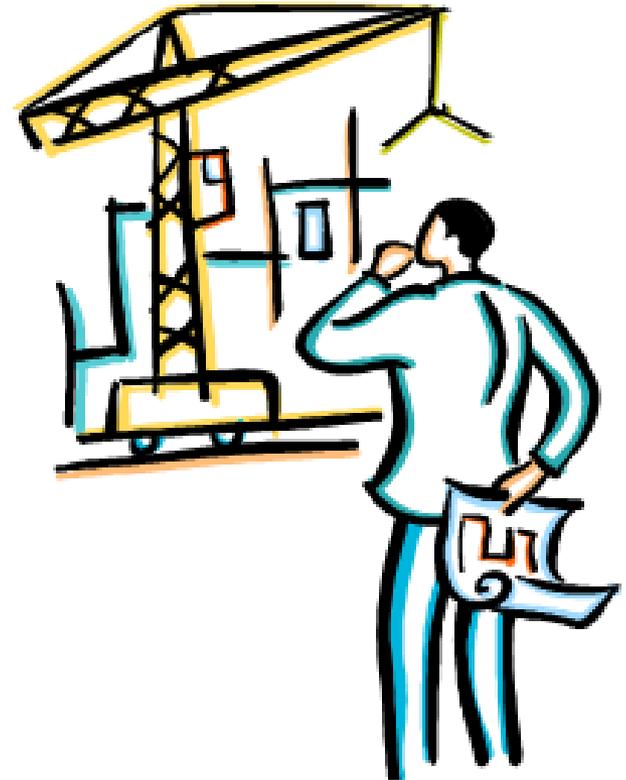
ASSEMBLY OF THE ESTIMATE FRONT SHEET

READ THE CONTRACT DOCUMENTS

Make sure you understand the full scope of the deliverables you will be responsible for.

Make sure you understand all of the risks involved in providing your services.

Risks equal \$\$\$\$\$



5 Major Components:

1. **Material**
2. **Equipment**
3. **Subcontractors**
4. **Labor**
5. **GENERAL CONDITIONS**

Bidding & Estimating



Material

- Pipe Fittings & Valve Hangers & Supports
- Nuts Bolts & Gaskets Welding Consumables
- Concrete , Forms curing compound , tredles
- Brick, mortar , Damp proofing , grout
- Asphalt , soils

All materials must be approved and submitted on a VDOT form C-25

Equipment

Equipment (Vendors)

- **HVAC:** Air Handling Units, Pumps, Chillers, Boilers, Cooling Towers etc.
- **Plumbing:** Fixtures Drains, Carriers, Water HEATERS, Sewage Ejectors etc.
- **Electrical :** Motor control Center , switch boards transformers

Equipment

- Dump truck, cranes, bull dozers , excavators , paving machines , back hoes , man lift

Subcontractors

Any work that your company wont be self performing

- Nondestructive Testing
- Controlled Inspection
- Rigging / material handling
- Civil / engineering
- Others

Labor

- Direct employees
- Supervision – Foremen, General Foremen, Superintendent

***You may be required to submit certified payroll**

GENERAL CONDITIONS

- A.K.A.
 - » Other Direct Job Costs (ODJC)
- Site General & Administrative Costs
- Not to be Confused with Office G&A



Office G&A vs Site General Conditions

- ❖ Executive officers
- ❖ Project Manager
- ❖ Estimators
- ❖ Drafting
- ❖ QA/QC
- ❖ Safety
- ❖ Superintendent(s)
- ❖ Project Engineer
- ❖ Clerk/Admin Assistance
- ❖ Payroll Clerk
- ❖ Contract Administrator
- ❖ Claims Consultant

Office G&A vs Site General Conditions

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- ❖ **Shop Delivery Truck**
- ❖ **Company owned Lifts**
- ❖ **Survey Equipment**
- ❖ **AutoCad Software License**
- ❖ **PM *IPM* Training Cost**
- ❖ **Safety HAZWOPs**
- ❖ **Laptops/PCs**
- ❖ **Monthly Fed Ex Bill**
- ❖ **PM Vehicle/Lease**
- ❖ **Bonding Charges**
- ❖ **Legal Charges for Contract Review**
- ❖ **Field Staff Benefits**

Office G&A vs Site General Conditions

Office General & Administrative Costs

- Main Office Costs -OVERHEAD
- Not Site Specific Charges
- Financial Nut to Cover Regardless of Work Load
- Used for Calculating Overhead & Profit



Office G&A vs Site General Conditions

Office General & Administrative Costs

- Administrative Payroll & Taxes:
 - ❖ Executive Staff
 - ❖ Accounting Department
 - ❖ Estimating & Purchasing
 - ❖ HR Department
 - ❖ Shop Manager
 - ❖ Shop Hands and Drivers

Office G&A vs Site General Conditions

Office General & Administrative Costs

- Administrative Support:
 - ❖ IT Costs
 - ❖ CPA
 - ❖ Security
 - ❖ Legal Council
 - ❖ Shop Operations
 - ❖ Fleet Maintenance



Office G&A vs Site General Conditions

Office General & Administrative Costs

- **Other Costs:**
 - ❖ **Office Supplies & Furniture**
 - ❖ **Bank Financing Charges**
 - ❖ **Travel & Living Expenses**
 - ❖ **Conferences – Seminars - Training**
 - ❖ **401K & Healthcare**
 - ❖ **Automobile payments/maintenance**
 - ❖ **Rents/Mortgages**
 - ❖ **Others**

Office G&A vs Site General Conditions

Site General Conditions Cost

- Not part of Main Office Overhead
- Site Specific
- Where Do We Find Site G&A Requirements?



IN THE CONTRACT DOCUMENT

General Conditions

- Site Administrative Staffing
- Trailers
- Office Equipment & Expenses
- Tools & Equipment
- Taxes, Insurance, Building Risk (OCIP)
- Escalation
- Allowance Items/Add Alternates

General Conditions

➤ Site Office Staff

- ❖ Project Manager
- ❖ Project Engineers
- ❖ Draftsmen
- ❖ BIM Coordinator
- ❖ Safety Manager and or Inspectors
- ❖ QA/QC Manager and/or Inspectors
- ❖ Scheduler
- ❖ Superintendent(s)
- ❖ Others - Firewatcher

General Conditions

Trailers & Storage

Site Trailers

- PM Office Staff Trailer(s)

Tool Rooms & Storage Containers

Trailer Hook ups

- Electrical/Plumbing
- Move & Demobe Costs

General Conditions

Office Equipment & Expenses

Office Equipment

- Desks, Planning tables, Chairs, Coffee Pot
- Site Computers, Internet service, Site server
- Telephones (Cellphones), Copiers, Fax?!
- Expenses - Parking, Travel, FedEx, Entertainment
- Reproductions, O& M Manuals,
- Permits and Filing Fees

General Conditions

Tools & Equipment

Tools

- Sometimes part of labor rate
- Based on a percentage of Labor (3-6%)
- Lump Sum
- Consumables- Consider in Material
- Safety Personal Protection Equipment (PPE)

General Conditions

Tools & Equipment Equipment

- Use Rental Blue Book for rates
- Specific for the project

General Conditions

Taxes, Insurance, Building Risk, Bonding

– Taxes

- » Capital improvement – What's taxable
- » Tax exemption
- » Local Economic Development Zones

Taxes, Insurance, Building Risk, Bonding

Insurance

- General liability
- Rate on Labor or Total Cost
- Watch for excessive limits

Workers Compensation

- Part of Labor Rate
- Pull out number for OCIPs & CCIPs

WATCH OUT FOR

- Indemnification clauses
- Excessive Limits
- OCIP/CCIP Term Limits
- Liquidated Damages (LDs)



➤ Taxes, Insurance, Building Risk, Bonding

Builders Risk

- Most Public Work
- Yearly Renewal Costs

Bonding

- Bid Bond/Payment & Performance Bonds
- Limits by Project/Total Cap
- Personal Guarantees
- Increases with Change Orders
- **Prior Approval**

General Conditions

Escalation/Overtime

- Start and End Dates
- Work Scope Duration & Phasing
- Include Craft Escalation/Overtime in LABOR
- Consider ODJC Escalation/Overtime



General Conditions

Allowance Items

- Add to above the Line
- Deduct once O&P & Insurance/Bond/BR are added
- Won't jeopardize ODJC if deducted from Contract

Assembly of the Estimate Front Sheet

Components:

1. Material
2. Equipment (Vendors)
3. Subcontractors
4. Labor
5. GENERAL CONDITIONS

What Affects General Conditions

- Each Project should be Analyzed Closely
 - Contract Documents
 - Project Delivery System
 - Site Conditions
 - Installation Methods & Material Handling
 - Project Schedule
 - Project Administration

What Affects General Conditions Contract Documents

- ❖ RFQ / Site Walkthrough
- ❖ Needs to be in writing
- ❖ Section specific to your deliverable
- ❖ Supplementary conditions specific to the project



What Affects General Conditions

➤ Project Delivery

- **Design Bid Build (DBB) – Design/Procure/Construct**
- **Design Bid Build w/ CM – CM acts as Owner Rep**
- **Design Build (DB) – Full responsibility**
- **Design Build Operation Maintain (DBOM) –**
- **Build Operation Transfer (BOT) –**
- **Integrated Project Delivery (IPD) – Owner shared**
 - **Target, Cost Plus w/Guarantees**

What Affects General Conditions

Site Conditions

Analyze what the site conditions will be During Construction

Labor Constraints

- Travel time to/From parking to gate,
- Sanitary Facilities,
- Change Trailers
- Material Laydown
- Permitting, QC hold points
- Safety Orientation
- Weather
- Labor Availability

What Affects General Conditions

Site Conditions

Type of Construction

- Commercial vs. Industrial
- New vs. Renovation

Equipment Constraints

- Point of Delivery and Dates
- Site Access for People, Materials
- Location for Trailers and Temporary Facilities
- Project Sequencing or Phasing
- Security

What Affects General Conditions

Installation Methods and Material Handling

What Affects General Conditions

Project Administration

- Prime Contractor or a Sub-Contractor?
- Separate Primes
- Time and Material Contract
- Federal, State & Local Regulations/Codes
- Liquidated Damages or Bonus Incentives