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# Project Cost Estimates

**Design Manual**  
**Chapter 1**  
**General Information**

Originally Issued: 05-23-07

Revised: 09-24-20

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This section discusses the process for developing project cost estimates. All cost estimates for all projects are to be completed in the iPDWeb cost estimating software. See the [Project Development Cost Estimating Manual](#) for details on how to access and use the software. These guidelines typically won't apply to 3R projects; however, Districts may choose to apply them to their larger 3R projects.

Establishing accurate cost estimates during project development is crucial. Inaccurate estimates may require projects to be delayed (breaking our commitment to the public), or moved forward (allowing less design time).

Cost estimates should be completed at the D0, D2, D3, D4, and D5 milestones, updated annually by January 15, and updated at plan turn-in to the Contracts Bureau. It is important to verify that estimates are consistent with programmed amounts. Notify the Bureau Director if the estimated project costs exceed the programmed amount.

## Base Estimate

When determining cost estimates in the early stages of a project, approximately 20% of the bid items will determine 70% of the cost; therefore, larger bid items should be identified first. Larger bid items on a paving project may include pavement, granular subbase, granular or paved shoulders, and bridge approach sections. Bid items for traffic control and mobilization should be included in the estimate and both should be calculated as 5% of the total project cost. As the project progresses, additional items should be identified and included in the estimate.

The total of these prices should then be entered as the base estimate in the Project Scheduling System (PSS).

## Adjustments

Adjustments are the amounts added to an estimate because of the designer's knowledge of project specific details or prices. Examples include adding an additional 30% for staging complexities or adding 20% for projects in Scott or Polk Counties to account for higher wage rates. Any values listed in the adjustment field in the PSS should be explained in the comments field.

## Unquantified (Unknown) Bid Items

Since all bid items cannot be identified in the early stages of a project, an unquantified bid item is added to account for the unknown costs. These unknown costs are calculated as a percentage of the total project costs and are added to the project by using the PCT-999 bid item in iPDWeb. The following values should be used to account for unquantified bid items unless an explanation is given in the comments field in iPDWeb:

- D0: 30%
- D2: 25%
- D5: 20%
- Methods Turn-In or Contracts Turn-In: 0%

Between D5 and completion of the project, prorate the percentage of contingency based upon the items completed.

## **Inflation**

Construction prices are inflated at a rate of 4.5% per year. PSS will add inflation based upon the program year entered.

# Chronology of Changes to Design Manual Section: 001B-006 Project Cost Estimates

9/24/2020 Revised  
Revised to reflect change to new iPDWeb cost estimating software.

9/13/2012 Revised  
Cost Estimate Worksheet has moved to CopySeed

9/30/2009  
Previously updated