



Conceptual Project Budgeting Service Example

Electrical company

RE: Warehouse
San Francisco, CA

Subject: Pricing Budget for Electrical Construction Work

Parameters:

- 1- Original Square footage 374,462.
- 2- Budget numbers as stated by Reliance Construction dated 9/2000
- 3- Square footage Breakdowns
- 4- Cost schedule
- 5- Non-prevailing labor
- 6- Reconstructed Plans as follows:

S0105S	F1.3	R1.3	K1.2
P0107S	F1.4	RF1.1	K1.3
B1.1		F1.5	RF1.2
B1.2		F1.6	RF1.3
E0.1		R1.1	RF1.4
F1.1		R1.2	RF2.1

Typical factory projects run from ____ to ____ of the total construction on new work projects.

The Original Project was \$58,223,834.00

Bid Cost	= 4,500,000.00	} Slightly Low Bid
Electrical cost @	= 4,857,906.00	
Means Costing @	= 5,277,000.00	} Cost Average
Plan Evaluation	= 6,200,000.00	
Similar project 15.96 sq ft	= 5,800,000.00	
Average Cost Estimate	= 5,126,981.00	

Using the Electrical cost method I felt the project was mostly shell lighting with feeders. This type of construction is straight forward and requires little or no control work. This type of work will usually be less expensive as many of the conduits can be grouped together. Estimating costs will run at 10% to 25% depending on the size. The larger project will usually be at the lower end.

The data used is an average costing for similar project types. This cost data does take into account regional areas and may account for the elevated number. While this method offers a reasonable budget numbers they can fluctuate high and low.

The plan evaluation method used square footage, cost data and similar project data. This method will always be on the higher side to overcome pricing issues such as additions and changes.

The similar project data was from actual projects similar in the type of work executed on this project. I looked at four jobs for costs on EMT, GRC and Stainless installations and combined square footage costs. I was able to use this against the projects square footage to exact a cost.

The final number is an average of the methods above.

Please note that budgeting even though numbers can be close is not an accurate method of estimation. I believe in hard cost estimating. Actual numbers and material lists should be used to cost and evaluate projects of any size.

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Respectfully Submitted,

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