Construction Law in North Carolina

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Construction Estimating: the Odd Numbers game

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As a design professional, you have likely seen your share of construction estimates. You may be in charge of evaluating bid proposals and/or in reviewing projects for value engineering possibilities. Of course, you are almost certainly involved in submitting your own proposal estimates for architectural or engineering services on a project.

I saw a <u>recent blog discussion on construction estimates</u>, and how owners view them. In the situation discussed, a contractor was losing business because his estimates were in nice round numbers, creating the suspicion in the owner's mind that the numbers were not carefully put together.

One commentator, a civil engineer, said:

As a Professional Civil Engineer and owner's representative, I am very leary of proposals received that are round (up or down) unless I've done business with this group before and am aware of it. I agree with the other comments that it appears as if the bidder has not put much effort into their proposal.

What do you think? Are you leery of an estimate that is a nice round number? Do you round your own estimates? Does an estimate of \$21,975 look more legitimate than an estimate of \$22,000? Share your thoughts, and your practice, below.



While you are at it, consider taking a 20 question, 10 minute poll on cost estimating processes and best practices. The survey planners are trying to collect as many responses as possible from industry professionals.

The data collected from this survey to develop a benchmark report about construction estimating. Once prepared, the report will available to anyone as a free

PDF download from the survey planners' website.

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