

# Recent Estimating Trends (February 2023)



## Considerations in Estimate Development

Review FDM 19-5 Estimates. The chapter has been updated to better guide estimators through the estimating process. Every project has unique factors that impact the cost of the overall projects. Being aware of how these factors impact the project you are using as a reference as well as the project you are estimating will lead to a more accurate total estimate. Review referenced project characteristics that may have impacted historic prices compared to your current contract.

- Contract requirements impact costs (location, anticipated construction schedule, staging, interim completion dates, schedule/paving restrictions, environmental restrictions, etc.). If the historical bid data is not being pulled for projects with similar characteristics the unit prices will need to be adjusted.
- Bid history more than 6 months old should be used with caution. The [WisDOT Chained Fisher Construction Cost Index \(WisDOT CF CCI\)](#) can be used to adjust unit prices, [FDM 19-5-5.6.4](#) page 22.
- Regression prices **do not** consider the unique factors of the source project or the project being estimated.

## Bid Items

Various commodity prices have increased and remain high. Average and above average historical prices are recommended for estimating.

- The [WisDOT CF CCI](#) has increased an estimated 18.7% in the last year. While the trend still indicates an upward trajectory, there are signs that it is beginning to level off into a trend similar to pre-2021 levels. Many of the commodity indexes have been falling, which may result in the WisDOT CF CCI beginning to decrease as well.
- National steel commodities and Wisconsin diesel prices continue to decrease and are on a downward trend. While they remain high compared to pre-2021 levels, they have at least fallen back down to prices from 2021.
  - For piling, rebar, steel rail, guardrail, reinforced concrete culvert pipes and other steel items, Proposal Management recommends using bid history six months or less.
  - World crude oil prices have returned to lower prices from 2015 to 2019. In the last year they have fallen and leveled off an approx. \$75 per barrel. Wisconsin diesel prices will hopefully decrease and follow national trends after the Superior Refinery is scheduled to be [back online in QTR2 of 2023](#). Until then, items with a significant amount of equipment and hauling are experiencing higher bid prices. The further from the material source the greater the impact.

## Asphalt Pavement Items

Asphaltic material commodities have decreased close to pre-spike values in 2021. Like diesel, asphaltic material prices in Wisconsin will likely remain high until the Superior Refinery is online.

For HMA Pavement estimating guidance, please review [FDM 19-5-5.6.3](#) Bid Item Estimating Guidance (pages 19 and 20).

- Asphalt projects in south-central Wisconsin are seeing lower prices because of more, competition in Jefferson, Dane, Rock, Walworth and western Waukesha Counties since Dec. 2019.
- In November, smaller, local asphalt projects saw lower prices and additional competition across much of the state. However, complex proposals received much higher bids.
- As shown below, Gradation 5, Binder 58-34 or SMA asphalt mixes cost more than other mix designs. The Asphalt Pricing Map includes an average of all mix designs.

Also, review [FDM 19-5-5.6.3](#) Bid Item Estimating Guidance (page 19) and [FDM 19-5-5.5.1](#), Primary Tools (page 14).

HMA pavement has about 80 items. Some mix designs do not have a large difference in unit prices between each other, and broader searches may be used. Below, the unit price difference for the HMA pavement mixture characteristics from January 2022 to February 2023 are shown. Estimates may be adjusted with more common items, but only one characteristic price difference or an average of multiple characteristics should be used to adjust prices.

Gradation	3	4	5
Unit Price Difference	\$8	\$14	

Binder	58-28	58-34
Unit Price Difference	\$20	

Traffic	LT	MT	HT	SMA
Unit Price Difference	\$0	\$12	\$16	

Designation	S	H	V
Unit Price Difference	\$14	\$10	

## Other Items

For additional guidance of the items below, please review [FDM 19-5-5.6.3](#) Bid Item Estimating Guidance (pages 19 to 21 of FDM 19-5).

- Mobilization makes up a larger percentage of the work in small and large proposals. Mobilization is a top item on both the items bid above and below the estimate tables below. Mobilization percentages recently have increased. Use the [Similar Projects Tool](#) for more recent Mobilization percentages.
- Removing Asphaltic Surface Milling often shows up on the top items bid above and below the estimate tables below. Milling prices have generally increased since January 2022. Milling is more expensive in urban contracts where flagging can be more difficult.

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- Concrete Masonry Bridges is often in the top items bid below or above estimate, and regression prices should not be used. The two main factors that influence prices is the bridge type and the contractor. **These factors are discussed in [FDM 19-5-5.6.3 Bid Item Estimating Guidance \(page 20 of FDM 19-5\)](#).**

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## Top Items Bid Above Estimate (December 2022 to February 2023)

Rank	Item Number	Item description	Item Freq.	Item Freq. >1%	Estimate Item Amount	Bid Item Amount	Item Difference	Perc. Diff. (by Est.)
1	SPV.0060	Special	586	18	\$11,498,146	\$22,631,204	\$11,133,058	97%
2	619.1000	Mobilization	63	54	\$24,081,583	\$33,537,150	\$9,455,567	39%
3	460.7423	HMA Pavement 3 HT 58-28 H	2	2	\$14,184,730	\$18,151,154	\$3,966,424	28%
4	SPV.0180	Special	19	1	\$2,142,155	\$5,224,984	\$3,082,829	144%
5	SPV.0090	Special	179	10	\$7,951,945	\$10,884,789	\$2,932,844	37%
6	204.0120	Removing Asphaltic Surface Milling	21	9	\$5,327,293	\$8,035,745	\$2,708,452	51%
7	204.0100	Removing Concrete Pavement	16	1	\$816,190	\$3,268,501	\$2,452,311	300%
8	643.5000	Traffic Control	49	10	\$1,466,376	\$3,852,012	\$2,385,636	163%
9	205.0100	Excavation Common	46	12	\$9,301,586	\$11,626,076	\$2,324,490	25%

## Top Items Bid Below Estimate (December 2022 to February 2023)

Rank	Item Number	Item description	Item Freq.	Item Freq. >1%	Estimate Item Amount	Bid Item Amount	Item Difference	Perc. Diff. (by Est.)
1	619.1000	Mobilization	66	52	\$15,482,019	\$10,181,652	-\$5,300,366	-34%
2	SPV.0060	Special	341	9	\$8,159,778	\$4,516,848	-\$3,642,930	-45%
3	205.0100	Excavation Common	57	14	\$8,027,729	\$4,928,219	-\$3,099,509	-39%
4	460.6224	HMA Pavement 4 MT 58-28 S	17	13	\$28,634,833	\$25,824,695	-\$2,810,138	-10%
5	460.6223	HMA Pavement 3 MT 58-28 S	15	8	\$17,387,369	\$14,807,647	-\$2,579,722	-15%
6	204.0120	Removing Asphaltic Surface Milling	32	15	\$8,045,865	\$5,569,578	-\$2,476,287	-31%

- **Item Freq.:** Number of times the bid item was bid above or below the estimate.
- **Item Freq. >1% or Freq. <-1%:** Number of times the bid item was bid significantly higher or low than the estimate. The difference between the total cost of the item bid and estimate, expressed as a percent of the total estimate, is greater than 1%.
- **Estimate and Bid Amounts:** Estimate amount and low bid amount for bid items bid above or below the estimate.
- **Item Difference:** Bid item difference amount between the estimate and bid (Bid Column – Estimate Column).
- **Perc. Diff. (by Est.):** Percent of item difference by estimate (Item Difference Column/Estimate Column)

Tables above are statewide totals, and rejected bids are included, which provide a better picture for what items are estimated low. **Trends will vary in each region and program.** Programs and regions with higher budgets will greatly impact these lists.