



Recent Estimating Trends (September 2020)

Quantities

Ensure someone has reviewed miscellaneous quantities. A good estimate cannot be accurate with quantity errors.

Project Attributes

Roadway reconstruction, resurfacing and preservation/restoration projects generally have been bid lower than the estimate. Bridge rehabilitation projects also have been bid below estimate. However, bridge replacement projects generally have been bid higher than the estimate.

Project Bundling

There may be good reasons to bundle projects. When projects are more than 10 miles apart, they usually do not see an economy of scale. **Unit prices are typically closer to pricing quantities for each project, location and each construction stage.** Consider the role of prime and subcontractors when bundled projects contain work that is not a similar work type. Subcontractors tend to bid mobilization and other incidentals into bid items they are completing.

Examples:

- A proposal that bundled two single-span concrete slab structures that were close together saw significant cost savings.
- A proposal that bundled several different structure types came in slightly higher than expected because the list of bidders can be reduced if some of the prime contractors in the area are not equipped, and work has to be subcontracted.

Bid Items

Item quantities completed by hand instead of a machine are typically 2 to 2.5 times more expensive. This is true for items completed at spot locations such as curb ramp items or median reconfigurations.

Contractors may shift risk between items and submit unbalanced bids. If a similar project has very low unit prices for items such as earthwork, aggregate or concrete masonry, verify that lump sum items were not increased. Combining items such as Mobilization and grading items from a referenced project will give the estimator a better idea of the true cost of the work between the current and past projects.

Adjusting Prices into Current Dollars [FDM 19-5-5.3.7](#)

The [WisDOT Chained Fisher Construction Cost Index](#) (WisDOT CCI) is an indicator of construction cost escalation over time and is updated each quarter by calendar year. **Do not forecast prices past the current date. Use the current WisDOT CCI value.**

Asphalt Pavement Items

Geographic location of the project is a larger factor in asphalt pavement unit prices than mix design. Bid prices for other asphalt bid items in a similarly priced area should be considered. The [Asphalt Price Map](#) provides unit price ranges that should be used for the initial estimate. [FDM 19-5-5.2](#), [FDM 19-5-5.3.8](#) and the [Estimating Tools Website](#) contain links and guidance to the Asphalt Price Map.

Mobilization and Traffic Control

Mobilization costs make up a larger percentage of the work in small and large proposals. Use the [Similar Projects Tool](#) for more accurate Mobilization percentages. Traffic Control percentages and costs also are available in the Similar Projects Tool. Links to this tool are on the [Estimating Tools Website](#) and [FDM 19-5-5.2](#).

- Mill and overlay proposals with bridge work or culvert replacement have higher mobilization costs.

Recent Lower Bid Items

The following bid items have been coming in much lower in recent lettings. Please use bid history as recent as possible for these items.

- HMA pavement items
 - In September, OPEC gave a lower forecast of oil demand that will persist through 2021. Lower oil costs result in lower material and delivery costs.
- Removing Asphaltic Surface Milling
 - If contractors can reuse the millings, prices are lower than average.
 - If the millings cannot be reused due to a sealcoat or the construction schedule is constrained, prices are higher than average.
- Bridge painting items



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Top Items Bid Above Estimate (May 2020 to July 2020)

Rank	Item Number	Item Description	Freq.	Freq. >1%	Estimate	Bid	Item Difference	Perc. Diff. (by Est.)
1	619.1000	Mobilization	14	10	\$4,803,000	\$12,237,999	\$7,434,999	155%
2	SPV.0085	Special LB	2	1	\$4,514,132	\$6,315,876	\$1,801,744	40%
3	SPV.0105	Special LS	46	1	\$2,549,361	\$4,167,924	\$1,618,563	63%

Top Items Bid Below Estimate (May 2020 to July 2020)

Rank	Item Number	Item Description	Freq.	Freq. <-1%	Estimate	Bid	Item Difference	Perc. Diff. (by Est.)
1	208.0100	Borrow	8	2	\$4,089,765	\$50,394	-\$4,039,371	-99%
2	205.0100	Excavation Common	19	5	\$5,910,903	\$2,763,531	-\$3,147,372	-53%
3	SPV.0035	Special CY	7	1	\$5,684,056	\$2,828,485	-\$2,855,571	-50%
4	SPV.0105	Special LS	49	3	\$8,698,849	\$5,937,430	-\$2,761,419	-32%
5	619.1000	Mobilization	27	24	\$7,677,050	\$5,146,489	-\$2,530,561	-33%

- **Freq.:** Number of proposals the bid item was bid above or below the estimate.
- **Freq. >1% or Freq. <-1%:** Number of proposals the bid items was bid significantly higher or low than the estimate. The difference between the total cost of the item and the estimate, expressed as a percent of the estimated total contract cost, is greater than 1%.
- **Estimate and Bid:** 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 from May 2020 to July 2020. 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.

Mobilization and Special LS items show up on both lists. These items are likely the least accurately estimated bid items in the program.