

**Technical Committee on Cost Estimating
Phone Conference
March 5, 2009**

Present:

Lesly Tribelhorn, Montana
Scott Bickford, Maine
Norie Calvert, Maryland
Greg Davis, Florida
Jay Drye, Washington State
Dave Kent, New York
Mike Fowler, Vermont
Ryan Griffith, Kentucky

Jeff Hisem, Ohio
Travis Koestner, Missouri
Darrell Richardson, Georgia
John Riedl, Oregon
Ken Spear, Wyoming
Keith Platte, AASHTO
Jim Sinnette, FHWA
Edwin Okonkwo, FHWA

Absent:

Roger Bierbaum, Iowa
Maria Burke, Texas

Tim Quinn, Minnesota
James Frick, South Carolina

Agenda:

A. Introduction and attendance – Edwin Okonkwo will replace Jim Sinnette as the Technical Committee's Secretary and FHWA representative.

B. Review survey questions and multiple choice answers (See Appendix A for revised survey questions) –

The following revisions will be made to the questions:

- Estimate definitions will be added to the survey
- Questions 5 and 6 will be reversed and clarified
- Revise the contact requests to include multiple contacts and more information
- Number questions

It was decided to postpone sending out the survey until activities regarding the American Recovery and Re-investment Act have settled down. Both State DOTs and FHWA Division Offices are extremely busy.

The survey may be sent through AASHTO channels to the Standing Committee on Highways and the Subcommittee on Design. It may also be sent through the FHWA Division Offices. A scattered approach should be considered. The TC will need to follow up on the survey responses to make sure estimate contacts are correct and complete. The contacts should be notified that they will be listed on the TC webpage.

[If FHWA decides to adopt the TCCE Guide as FHWA minimum standards, what are the implications? There is concern that the entire TCCE Guide could be interpreted as minimum requirements. It would be better to allow flexibility regarding requirements for developing estimates and not specify specific best practices.]

C. Guidance updates prior to sending out survey: - Revise and add chapter outlines for chapters in progress:

- Inflation forecasting – John Riedl will check the TC Guide on line to make sure the outline shown is consistent with the proposed chapter. A draft will be ready within the next week.
- Parametric estimating – Mike Fowler will check the TC Guide on line to make sure the outline shown is consistent with the proposed chapter. The outline will need to be revised.
- Bidding strategies – The status of the outline is unknown. Travis Koestner will send Lesly the outline by March 20.
- Performance measures and tracking – This outline has been sent to Lesly. This chapter needs to be consistent with AASHTO publications on performance measures and should not duplicate completed work. Ryan Griffith will verify. [The Standing Committee on Quality may be overhauled as a Standing Committee on Performance Measures soon. The TC Guide still needs to be focused on cost estimating and may be more specific than current AASHTO publications.]
- Add risk chapter – The status of this is unknown. Lesly will check the status with Tim Quinn. Norie Calvert will step forward and format the chapters if Tim Quinn is unable.
- Add definitions – Definitions are up to date. They need to be formatted and posted.

All drafts should be sent to Lesly and she will make sure they are updated. All new definitions and new or revised outlines should be sent within the next two weeks (March 20) to Lesly. Additional chapters and revisions to the TC Guide will be made as needed.

D. Chapter work discussions

- Risk chapter – The Risk chapter is done. Tim Quinn (or Norie Calvert) will reformat. New research and publications (e.g. Montana research, GAO report) are still coming out which may necessitate looking at Risk chapter to see if any revisions or additions need to be made. The chapter should be placed in the TC Guide and reviewed later.
- Parametric chapter – The Parametric chapter will be completed by Mike Fowler and sent the TC for review before March 13.
- Definitions - Definitions are up to date. They need to be formatted and posted.
- Bidding strategies – The goal is to have the draft ready before the TC annual meeting in September.
- Inflation chapter – John Riedl will have the draft ready for review within the next week.
- Performance measures and tracking - The goal is to have the draft ready before the TC annual meeting in September.

Keith Platte will put all documents in PDF format.

Consideration will be given to adding an introductory chapter to discuss other types of estimating (e.g. utilities, right-of-way). This chapter would say that these types of estimates are not within the scope of the TC Guide and other documents are available.

All TC members should look at the GAO report for potential gaps and/or overlap in the TC Guide. The GAO report is at: <http://www.gao.gov/new.items/d093sp.pdf> . The report number is GAO-09-3SP.

D. Cost estimating resources web clearinghouse

- State Contacts and Updating webpage - Dave Kent and Lesly now have administrator rights to TC webpage. They will be able to add links and make other changes to the website. Norie Calvert and Dave Kent also have experienced internet programming staff and may be called on to answer questions.

E. Research project updates

- Environmental Cost Estimating – The cost estimate guidance was published in October 2008 and Darrell Richardson has forwarded Lesly's e-mail to the TC with the two guidance documents.
- MDT Highway Project Cost Estimates – This project is complete and the report can be accessed at:
(http://trb.org/news/blurb_detail.asp?id=10037&utm_medium=email&utm_source=Transportation%20Research%20Board&utm_campaign=TRB+E-Newsletter+-+02-24-2009&utm_content=Customer&utm_term=)
- Indexing project Cost Price Indexing - This contract is expected to be awarded around June. It will be a two-step process. The first step is pre-qualifying. Then a Request for Proposals will be sent out to a short list of proposers. TC members are included on the panel and a Contractor or contractor-representative (AGC or ARTBA) may be added. The draft Request for Qualifications may go out in mid April with a due date of mid May. Dave Kent sent an e-mail to the TC with more information.

Miscellaneous - There is great concern that TC members may be restricted from out of state travel this year. Most members believe that they may not be able to attend the annual TEA conference in Omaha in September. The annual TC meeting may have to be held by teleconference.

Next TCCE Meeting

The next teleconference will be Thursday, May 7 at:

1:00 pm Eastern

12:00 pm Central

11:00 am Mountain

10:00 am Pacific

The meeting should last about 2 hours.

APPENDIX A

Technical Committee on Cost Estimating Survey –

The objective of the AASTHO Technical Committee on Cost Estimating is to create an AASHTO position regarding a recommended policy on best practices for how to develop estimates. The ultimate goal of this Technical Committee is to prepare written policies/guidelines for cost estimating at all stages of project development. A draft of the committee's "A Practical Guide to Estimating" can be found on the committee's website at: <http://design.transportation.org/?siteid=59&pageid=756>

As part of the Technical Committee's outreach to State Departments of Transportation and to the Federal Highway Administration field offices, we are asking that you complete the following survey. This survey is being sent to each State Department of Transportation and to each Federal Highway Administration Division Office. The results of this survey will be used to update the Technical Committee's strategic plan and to assist in the completion of the Technical Committee's cost estimating guide. Input from States and Division Offices are an integral part of the preparation of the cost estimating guide. FHWA will consider adopting the guide as an official FHWA standard upon its completion.

Peer survey questions/discussion

1. Are you from a State DOT or FHWA Division Office
 - a. State DOT
 - b. FHWA Division Office
2. Who are the main Cost Estimating contacts for your State or FHWA Division Office? Please provide name, e-mail, phone number, and address.
 - a. (Discussion).
3. Prior to receiving this survey, were you aware of the AASHTO Technical Committee on Cost Estimating (TCCE)?
 - a. Yes.
 - b. No.
4. Prior to receiving this survey, were you aware of the TCCE Guide?
 - a. Yes.
 - b. No.
5. Would you use the TCCE Guide verbatim and in its entirety as State guidance?
 - a. Yes, we plan to incorporate the entire Guide verbatim and in its entirety as State guidance.
 - b. Yes, we plan to incorporate parts of the Guide verbatim as State guidance.
 - c. No, the information in the Guide is not useful.
 - d. No, there is no need to create or revise our existing State guidance.
 - e. Don't know.
 - f. I am in a FHWA office - not applicable.

6. If not using the TCCE Guide verbatim and in its entirety, would you use the TCCE Guide to assist in creating separate State guidance?
 - a. Yes, most of the Guide would be used.
 - b. Yes, a substantial portion of the Guide would be used.
 - c. Yes, some parts of the Guide would be used.
 - d. No, the information in the Guide is not useful.
 - e. No, there is no need to create or revise our State practices.
 - f. Don't know.
 - g. I am in a FHWA office - not applicable.
 - h. We are using the TCCE Guide verbatim in its entirety.
7. Do you have a documented formal cost estimating process?
 - a. Yes, we have a documented formal cost estimating process for all types of estimates.
 - b. Yes, we have a documented formal cost estimating process for some but not all types of estimates.
 - c. No, we do not have any documented formal cost estimating process.
 - d. Don't know.
8. If so, can you provide manuals and internet links?
 - a. Yes (Include links and information on how manuals can be obtained).
 - b. No (Discuss why manuals and links are not available).
 - c. No, we do not have any manuals or internet links to provide.
9. Do you use performance measures for your estimating process?
 - a. Yes, we have performance measures for all of our estimating processes.
 - b. Yes, we have performance measures for some but not all of our estimating processes.
 - c. No, we do not have any performance measures for our estimating processes.
 - d. Don't know.
10. If so, can you provide information or internet links?
 - a. Yes (Include links and information on how information can be obtained).
 - b. No (Discuss why information and links are not available).
 - c. No, we do not have any performance measure information or internet links to provide.

11. What do you consider best practices in cost estimating for . . . ?
- a. Initial Estimates (*The first estimate released publicly by the State DOT. This estimate is usually made with only minimal project information.*) (Discussion).
 - b. Preliminary Estimates (*Any estimate after the Initial Estimate, which precedes the Letting Estimate. This estimate can be made with anywhere from 10%-95% complete plans. It may be desirable to categorize this estimate to indicate the completion level of project documents used to compile the estimate.*) (Discussion).
 - c. Letting Estimates (*The construction cost estimate used as a benchmark to compare contractors' bids. This estimate is prepared using 100% completed plans with all itemized pay items, quantities, and contract documents.*) (Discussion).
 - d. Other (Discussion).
12. What training is required or provided for cost estimators in your State for . . . ?
- a. Initial Estimates (*The first estimate released publicly by the State DOT. This estimate is usually made with only minimal project information.*) (Discussion).
 - b. Preliminary Estimates (*Any estimate after the Initial Estimate, which precedes the Letting Estimate. This estimate can be made with anywhere from 10%-95% complete plans. It may be desirable to categorize this estimate to indicate the completion level of project documents used to compile the estimate.*) (Discussion).
 - c. Letting Estimates (*The construction cost estimate used as a benchmark to compare contractors' bids. This estimate is prepared using 100% completed plans with all itemized pay items, quantities, and contract documents.*) (Discussion).
 - d. Other (Discussion).
13. Has your State or outside agency recently completed a review of your cost estimating process?
- a. Yes, a review has been completed within the last 5 years.
 - b. A review is currently underway.
 - c. No, a review has not been completed within the last 5 years.
 - d. Don't know.
14. If so, can you share the results and if available the follow-up action plan?
- a. Yes (Include links and information on how information can be obtained).
 - b. No (Discuss why information and links are not available).
 - c. No, we do not have any reviews to provide.

15. What do you see as the FHWA role in cost estimating?
- a. No role other than minimal required oversight.
 - b. FHWA should assist in process reviews conducted by the State of its cost estimate process.
 - c. FHWA should lead and conduct regular process reviews of the States cost estimating process.
 - d. FHWA should assist in identifying best practices and efficiencies and share these nationwide.
 - e. FHWA should provide cost estimating training.
 - f. FHWA should prepare specific cost estimating standards.
 - g. FHWA should assist in the review or development of some project cost estimates (e.g. NEPA cost estimates).
 - h. Other (Discussion).
16. What do you see as the AASHTO role in cost estimating?
- a. No role.
 - b. AASHTO should assist in process reviews conducted by the State of its cost estimate process.
 - c. AASHTO should lead and conduct regular process reviews of the States cost estimating process.
 - d. AASHTO should assist in identifying best practices and efficiencies and share these nationwide.
 - e. AASHTO should provide cost estimating training.
 - f. AASHTO should prepare specific cost estimating standards.
 - g. AASHTO should assist in the review or development of some project cost estimates (e.g. NEPA cost estimates).
 - h. Other (Discussion).
17. What are the important cost estimating issues in your State?
- a. Initial Estimates (*The first estimate released publicly by the State DOT. This estimate is usually made with only minimal project information.*) (Discussion).
 - b. Preliminary Estimates (*Any estimate after the Initial Estimate, which precedes the Letting Estimate. This estimate can be made with anywhere from 10%-95% complete plans. It may be desirable to categorize this estimate to indicate the completion level of project documents used to compile the estimate.*) (Discussion).
 - c. Letting Estimates (*The construction cost estimate used as a benchmark to compare contractors' bids. This estimate is prepared using 100% completed plans with all itemized pay items, quantities, and contract documents.*) (Discussion).
 - d. Other (Discussion).

18. What are your needs regarding cost estimating?
- a. Training (Discussion).
 - b. Experienced estimators (Discussion).
 - c. Cost estimating database (Discussion).
 - d. Guidance and Standards (Discussion).
 - e. Best Practices (Discussion).
 - f. Forum to discuss cost estimating (Discussion).
 - g. Other (Discussion).
19. Do you have any other comments or information to share?
- a. (Discussion).

Thank you for your time. Please submit your responses by XXXX, XX, 2009:
AASHTO Technical Committee on Cost Estimating