

Construction Project Delivery

About Construction Project Cost Estimates

Cost estimates will be reviewed and refined during the course of the project to reflect additional detail as it become available, assumptions are tested, and any approved fluctuations in scope. The accuracy of a project estimate will increase as the project progresses though its life cycle. In general the level of project estimate (Capitol Budget Estimate-CBE) can be expected within these ranges:

% of Design Completion	Project Phase	Expected Accuracy Range Typical variation in low and high ranges*
0% to 2%	Project Initiation	L: -20% to -30% H: +30% to +50%
1% to 15%	Programming/Concept	L: -10% to -20% H: +20% to +30%
10% to 40%	Schematic	L: -5% to -15% H: +10% to +20%
30% to 75%	Design Development	L: -5% to -10% H: +5% to +15%
65% to 100%	Construction Documents	L: -3% to -5% H: +3% to +10%

* The state of construction complexity and availability of applicable reference cost data affect the range markedly. The +/- value represents typical percentage variation of actual cost from the cost estimate after application of contingency (typically at a 50% level of confidence) for given scope.

Sources:

2013 Project Management Institute: A Guide to the Project Management Body of Knowledge (PMBOK Guide) Fifth Edition

AACE® International Recommended Practice No. 56R-08

COST ESTIMATE CLASSIFICATION SYSTEM AS APPLIED FOR THE BUILDING AND GENERAL CONSTRUCTION INDUSTRIES TCM Framework: 7.3 Cost Estimating and Budgeting