Caltrans Project Delivery Workshop

Project Estimating and Bid Trends

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Background

- What is Caltrans trying to achieve with its estimating?
- What are the influences?
- What does Caltrans do to adjust?
Topics

- Caltrans Estimating process
- Project Timing
- Current Bid Trends
Phases of Project Development

1. **Need & Priority Identified**
2. **Planning & Development**
   - PA&ED
   - Programming
3. **PA&ED Complete**
4. **PS&E (Design)**
   - Right of Way
5. **Design Complete (RTL)**
6. **Construction Complete**
7. **Closeout Complete**

Risk and Uncertainty:
- High: 20% Known, 80% Unknown
- Low

Progress:
- 20% Known
- 80% Unknown
Components of the Estimate

- **Base Estimate**
- **Scope Refinement**
- **Known Risks**
- **Escalation**
- **Unknown Risks**

**Program Amount**

- **Estimate**
- **Risk**
- **Escalation**
- **Adjustments (Up or Down)**
Influences and Impacts

- The trends
- The material costs
- The bidding market
- What are we doing
How do we do?
Bid prices are Changing

LOW BID VS ENGINEER’S ESTIMATE

PERCENTAGE OF LOW BID BELOW ENGINEER’S ESTIMATE

FISCAL YEAR

11/12 12/13 13/14 14/15 15/16 16/17 17/18 18/19 19/20 20/21 21/22
Data shows the shift in the number of contracts within each quarter of FY 2021. The graph illustrates the percentage differences between the low bid and the engineer's estimate, with a noticeable increase of +10% in Q1.
Where are we seeing the changes
Volatility is difficult to predict

Construction Cost Index

Bridge Cost Index
Long term view smooths the spikes

Construction Cost Index

Bridge Cost Index
Keys to Favorable Bidding

Average Number of Bidders per Project

Low Bidder Above or Below Estimate vs. Number of Bidders

Average Percentage Low Bidder was Above or Below Engineer's Estimate

Low Bid equals Engineer's Estimate

Year

Number of Bidders per Project

(Projects Bid Opened from July 2016 to June 2022)
Evolution of Certainty

Estimated Value

Scope Definition/Information

PID

PA&ED

RTL

CCA
THANK YOU