

Create Reliable, Defensible Construction Cost Estimates Faster

Finally, there is a way to create reliable, defensible estimates – faster.

Line-item detailed estimates are the most reliable and now you can easily create them with confidence using current, objective, verifiable, local market cost data, complete with labor, material, equipment, and productivity details.

While "market average" cost data has traditionally been the only choice, you know the issues, and now a superior alternative, granular, current detailed lined item cost data (90,000+ line items) available exclusively from 4BT (Four BT, LLC).

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How to Create a Reliable, Defensible Construction¹ Cost Estimate

1: Develop a Detailed Scope of Work and Build a Bill of Materials (BOM)

A detailed scope of work is a detailed line-item listing of tasks, complete with labor, material, and equipment information, including costs required for the associated repair, renovation, maintenance, or new build project. A complete and representative bill of materials (BOM)² is also required.

2: Estimate Material Costs with Local Market Validation

Databases, such as those from Four BT, LLC, research material costs on a national, regional, and local level based upon type. Although other materials databases are available, many are only updated annually and do not adequately represent local market conditions. Cost should be **validated through vendor outreach and other forms of industry data** to ensure estimates reflect real market conditions and current supply chain dynamics.

3: Adjust Labor and Market Inputs

¹ Construction is used to describe and repair, renovation, maintenance, or new built activity relating to the built environment.

² A Bill of Materials (BOM) is a comprehensive list of all the raw materials, sub-assemblies, components, parts, and quantities needed to manufacture a specific end product.



Again, while multiple sources provide baseline labor hours and rates, adjustments for **local market conditions** is essential. Productivity, wage rates, fringes and insurance vary widely by region and trade and must be reflected in the estimate.

4: Indirect Costs, Contingency, and Contractor Factors

Estimates should be calculated independent of contractor overhead and profit first. This enable a “should cost” estimate which can be used by owners to validate contractor estimates and by contractors to establish a final bid based upon risk and other factors.

Summary

Building reliable and verifiable construction cost estimate requires a robust step-by-step process that combines detailed SOW and BOM development and validated granular construction task line items based upon current local labor, material, and equipment information to deliver a defensible, transparent project baseline.

The process **empowers owners and builders** with evidence-based data that strengthens negotiations, reduces risk, and improves capital efficiency.

- **Validate bids/proposals**
- **Avoid “black box” and “national average” cost sources**
- **Align project teams** around realistic expectations

Mitigate the cause of most “construction” project failures, a poorly developed and miscommunicated Scope of Work.

Key features of Four BT’s cost data include:

- **Focus on local markets:** The data is based on locally researched costs for specific markets, rather than applying a general location factor to national averages. This provides greater accuracy for local projects.
- **Detailed line items:** The database contains over 90,000 granular construction tasks, organized using expanded CSI MasterFormat, to help with detailed cost estimating.
- **Regular updates:** A dedicated team conducts quarterly updates to reflect current market conditions.



- **Transparency:** All cost data is built from verifiable sources and methods.

Four BT, LLC's cloud-based platform, Benchmark Construction Estimator™, supports the use of its cost data.