



## City of Winnipeg Cost Estimate Classification System

May 2014

ESTIMATE CLASSIFICATION*	PROJECT DEFINITION	DESIGN % COMPLETE	ACCURACY OF COST ESTIMATE
Class 1	Detail Design Drawing and Specification Complete, Pre-Tender Estimate	~90% - 95%	-5% to +10%
Class 2	Design Development in progress	~60%	-10% to +20%
<b>Class 3</b>	<b>Preliminary Design, for Budget Authorization</b>	<b>~30%</b>	<b>-20% to +30%</b>
Class 4	Feasibility Study	~10%	-30% to +60%
Class 5	Concept Screening, Rough Order of Magnitude Estimate	~1%	-50% to +100%

Scalable	Project/Program scope can be adjusted to fit the Budget	N/A	N/A
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### Cost Estimate Class Descriptions

- Class 1      Estimates prepared based on completed detail design documentation (plans and specifications) as well as complete project delivery plans.  
At pre-tender estimate stage.
  
- Class 2      Estimates prepared in progressive detail from a class 3 and are used to establish a contract value against which decisions can be made to revise the scope of the project and manage risk at a specific milestone in the design development.
  
- Class 3\*\*      Estimates based on completed preliminary design documentation. This Class 3 estimate will form the basis for budget authorization and set initial control estimate against which project deliverables will be measured (i.e. on budget).**
  
- Class 4      Estimates prepared based on limited information with some engineering work completed and preliminary scope determination.
  
- Class 5      Rough estimate prepared based on very limited information with no engineering work completed. Used to make an assessment of initial viability and for long range capital planning.
  
- Scalable      Scalable projects/programs will be sized according to the final budget authorization.

\* Determined using the Association for the Advancement of Cost Engineering (AACE) International Recommended Practices 17R-97, 18R-97 & 56R-08

\*\* City Auditor has recommended that a Class 3 estimate is prepared one year in advance of construction