Control objective: to ensure the processes outlined in the Transport and Main Road's Project Cost Estimating Manual (PCEM) are being followed during the development of cost estimates.

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| --- | --- | --- |
| Prepared by**[[1]](#footnote-1)**: | Checked by**[[2]](#footnote-2)**: | Date: |
| Project Name: | Project Number: |
| **Estimate Type:** | [ ]  Strategic | [ ]  Proposal | [ ]  Business Case | [ ]  Preliminary Design | [ ]  Detail Design | [ ]  Tender |

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| --- | --- | --- |
| A. Estimating business rule: Project scoping | Y/N[[3]](#footnote-3) | Comments |
| 1. Is the estimate based on appropriate scoping for the stage of development?PCEM Section 4.1.1 (objectives, performance requirements, definition, scope)
 |  |  |
| 1. Have factors influencing the estimate considered during the scoping process?PCEM Section 5.1 (scope, constraints, constructability, construction program, environmental, traffic, location, delivery method, sustainability and contract delivery)
 |  |  |
| 1. Has the 'customer' agreed with the preferred solution?PCEM Section 4.1.1, 4.1.2 and 4.2
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| 1. Has a site visit been undertaken, and Site Visit Checklist completed?PCEM Section 4.1.3 and Annexure A
 |  |  |
| 1. Has consultation undertaken with key stakeholders, to ascertain potential impacts of the project scope?PCEM Section 4.2.1 and 7.4 (traffic, planning, community, industry, emergency services, PUP)
 |  |  |
| B. Estimating business rule: Estimate preparation and presentation | Y/N3 | Comments |
| 1. Has the estimate development been based on the current version of PCEM?PCEM Section 5
 |  |  |
| 1. Has the appropriate estimating method been used for the project type / stage and approved by the Project Manager?PCEM Section 9.2 (unit rate, first principles, global estimate, Types 1, 2 and 3)
 |  |  |
| 1. Has the estimator used recommended practices within the department to develop the cost estimate?PCEM Section 2.5
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| 1. Is the estimate presented in OnQ / 3PCM system documentation?PCEM Section 7 (Construction / non-construction WBS, WBS Level 3 and 4, project management / work management and Cost Breakdown Structure)
 |  |  |
| 1. Is the estimate broken into appropriate project estimate structure components?PCEM Figure 3.1(b) (DJC, IJC, overheads and profit, TMR costs, inflation)
 |  |  |
| 1. Has appropriate work break down and cost breakdown structures used?PCEM Section 7.1, Section 7.1.3
 |  |  |
| C. Estimating business rule: Pricing | Y/N3 | Comments |
| 1. Has the estimate been benchmarked against district benchmarking data?PCEM Section 8 (global rates, key item rates, construction production rates)
 |  |  |
| 1. Have work method studies been considered during the estimate development?PCEM Section 5.1 (constructability, traffic management, site conditions, construction methodology, haul quantity and distances, borrow / spoil requirements)
 |  |  |
| 1. Have the Principals costs calculated from first principles?PCEM Section 3.3.1, Table 3.3
 |  |  |
| 1. Do the Principals costs include costing for all the phases / components?PCEM Section 3.3, Table 3.3 (project management, principal’s obligations, resumptions, PUP, principal supplied materials, service levies, environment)
 |  |  |
| 1. Have historic rates used to prepare the estimate? If so, have rates used adjusted prior to use as per the conditions set out in PCEM?PCEM Section 9.1.2 (inflation, site / market conditions, location, overheads)
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| D. Estimating business rule: Risk | Y/N3 | Comments |
| 1. Has the appropriate risk assessment approach used to produce P90 estimate? (Quantitative approach for Major Projects, Type 1 and Type 2, Qualitative for Type 3)PCEM Section 2.5.2 and 10.3
 |  |  |
| 1. Has an appropriate risk assessment technique been used?PCEM Section 10.3.1, Section 10.3.2 (risk workshop, review past docs)
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| 1. Is the risk management approach used appropriate for the project category (Major Project, Type 1 and 2 must use probabilistic risk evaluation approach)?PCEM Section 2.5.2
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| 1. Has the risk workshop undertaken to assess and verify risks as appropriate?PCEM Section 2.5.2, Section 10.3.2.1
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| E. Estimating business rule: Contingency | Y/N3 | Comments |
| 1. Have the financial allowances made against risks and their treatment been used to determine the appropriate contingency allowance?PCEM Section 10.2
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| 1. Is the project contingency allowance within the contingency range for this stage?PCEM Table 3.4
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| 1. For Major projects and Type 1 and Type 2 projects, have appropriate contingency allowances made against individual cost change categories?PCEM Section 3.4, Section 10.2
 |  |  |
| 1. Have the cost change risk categories considered during risk evaluation process?PCEM Section 10.8
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| 1. Has the appropriate contingency review process undertaken prior to the approval to satisfy the APDV process?PCEM Section 2.6.7.1, Section 5.4.4
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| F. Estimating business rule: Escalation | Y/N3 | Comments |
| 1. Has the escalation calculated in accordance with current percentage rates?PCEM Section 3.5
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| 1. Has the escalation calculator used to value the escalation amount?PCEM Annexure H
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| 1. Has the PCB template developed for project that were funded by the Australian Government?PCEM Section 2.5.1, Section 3.5
 |  |  |
| G. Estimating business rule: Review and approvals | Y/N3 | Comments |
| 1. Has an estimate subjected to review at appropriate levels?PCEM Section 4.1.11 (peer review, concurrence review, program review)
 |  |  |
| 1. Has the evidence of reviewer’s feedback submitted along with the estimate for approval? Has feedback been actioned to the reviewer’s satisfaction?PCEM Section 4.1.11.1
 |  |  |
| 1. For all large and complex projects: has suitable and independent reviewer appointed for concurrence review? Has the recommended process followed?PCEM Section 4.1.11.2, Figure 5.3.3.1(a) and 5.3.3.1(b)
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| 1. Have necessary approvals obtained in the Project Cost Estimate (Summary) and (Approval) form?PCEM Section 4.1.12 and Annexure L
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| H. Estimating business rule: Lessons learned |  |  |
| 1. Has the estimate captured in 3PCM solution for lessons learned purposes?PCEM Figure 2.5.1, 2.5.4, 2.6.9, 2.6.10, Section 4.1.12, 4.2.1, 4.2.2 and 8.5
 |  |  |
| [ ]  Satisfactory (expected process controls are in place and used satisfactorily)[ ]  Unsatisfactory (attach details of any controls that in your opinion are not in place and/or are not used satisfactorily)[ ]  Approved [ ]  Not approved |
| Signature:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

1. To be completed by the Estimator. [↑](#footnote-ref-1)
2. To be checked by the Project Manager / Program Manager. [↑](#footnote-ref-2)
3. If yes, documentary evidence must be made available to the Region / District Director. [↑](#footnote-ref-3)