

Estimate Review

Unsealed road restoration package · six roads, 18.4 km · tendered at \$781,450 ex GST

What this is

This is a sample of the report a contractor receives from an Estimate Review. The job, the quantities and every figure in it are invented for this example. It is not a real client engagement, and no client information appears anywhere in it. The structure, the risk areas and the way the recommendation is put are the same as a real review.

1 · Where the margin sits

Item	Amount	Note
Tendered price	\$781,450 ex GST	As priced by the contractor
Margin allowed in the price	\$68,000	8.7% of the tendered price
Exposure identified in this review	\$65,000	96% of the allowed margin
Recoverable by re-pricing three items	\$24,700	Before submission
Residual exposure if those are re-priced	\$40,300	59% of the allowed margin, carried knowingly

Recommendation: re-price three items, then submit. The price as it stands puts almost all of the margin at risk, and three of the nine exposures are pricing corrections rather than risks to carry: the gravel haul rate, traffic control on the bus-route shifts, and mobilisation across six sites. Correcting those three recovers \$24,700. The rest are risks worth carrying on this job, with the actions set out in section 4.

2 · Quantity and BOQ check

Quantities taken off the drawings and compared with the schedule as priced.

Item	Unit	In the BOQ	Take-off	Variance	Comment
Gravel supply, place and trim	m ³	14,720	15,340	+4.2%	Thickness tolerance carried on 6 of 11 segments
Formation grading	km	18.4	18.4	—	Agrees with the drawings
Culvert clean and reinstate	ea	46	51	+5	Five culverts on Road 4 not in the schedule
Water for compaction	kL	9,200	11,000	+19.6%	Allowance light for the optimum moisture content on this material
Table drain reshape	m	7,400	7,400	—	Agrees
Signage and traffic control	days	22	34	+12	School bus route shifts not priced

3 · Programme choke points

The points where the programme has no slack, because that is where the exposure in the next section comes from.

Choke point	Why it matters
One final trim grader for 18.4 km	Trim is on the critical path for every segment. A week down moves the whole programme, and the price carries no float.
Water cart availability at optimum moisture content	Compaction can only proceed while the material holds moisture. One cart serving six sites sets the pace of the job.
Traffic control windows on the bus route	Two roads can only be worked between bus runs, so those segments cannot be compressed to recover time lost elsewhere.

4 · Where fixed-price civil work loses money

Each area is tested against this job, with an estimated dollar exposure and what to do about it. Exposure is the realistic cost if the risk lands, not a worst case.

Risk area	Exposure	What we found	Action
Rate compression — gravel supply and haul	\$14,200	Haul rate priced on a 12 km cart. Two of the six roads draw from a pit 19 km out.	Re-price
Programme slippage — wet weather standby	\$11,500	No standby allowance. 14 wet days in the same months last year on comparable work.	Allow or claim
Quantity variance — gravel thickness	\$9,800	Take-off 4.2% above the BOQ once tolerance to the spec is carried.	Confirm
Unpriced scope — traffic control at two crossings	\$7,300	Two roads cross a school bus route. No TC crew priced for those shifts.	Re-price
Plant downtime — single grader	\$6,400	One final trim grader for 18.4 km. A week down puts the programme behind.	Accept with plan
Subcontractor default — water cart and cartage	\$5,900	Both quoted verbally by one supplier. No written rates held.	Confirm in writing
Testing and rework — compaction	\$4,100	Density testing priced, but no allowance for a failed lot and re-roll.	Allow
Mobilisation — six separate sites	\$3,200	Priced as one mobilisation. The roads are up to 40 km apart.	Re-price
Retention timing	\$2,600	Cost of 5% held for 12 months, unpriced.	Accept
Total identified exposure	\$65,000		

5 · Hidden scope and exclusions register

Work the contract requires that the price does not currently cover.

#	Item
1	Two roads cross a school bus route; traffic control on those shifts is not priced.
2	Five culverts on Road 4 appear on the drawings but not in the schedule of quantities.
3	The specification allows a thickness tolerance that the take-off carries and the BOQ does not.
4	Gravel for Roads 2 and 5 comes from a pit 19 km out, not the 12 km pit assumed in the haul rate.
5	The contract requires a site-specific traffic management plan before the first shift.
6	Density testing is priced once per lot, with nothing allowed for a failed lot.

6 · The call

Option	What it means
Submit as priced	Not recommended. \$65,000 of exposure against \$68,000 of margin means the job turns on the weather and one grader.
Re-price three items, then submit	Recommended. Gravel haul rate, traffic control on the bus-route shifts, and mobilisation across six sites. Recovers \$24,700 and leaves the remaining exposure knowingly carried.
Don't bid	Not warranted here. The scope is within the contractor's normal work and the exposures are priceable.

A real review also includes two rounds of follow-up questions after the report is issued, so the contractor can work through the re-pricing with us before the tender closes. The report is issued in PDF and Word, with the assumptions and exclusions register and this recommendation as separate files.

7 · Assumptions this review is built on

#	Assumption
1	Works are day shift, Monday to Friday, with no night or weekend work required.
2	The pit is open and royalty rates are as stated in the contractor's quote.
3	The principal supplies survey control and the drawings issued are the ones for construction.
4	No contaminated or unsuitable material is encountered in the formation.
5	Wet weather standby is claimable under the contract, subject to notice.
6	Prices exclude GST.

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