

CONSTRUCTION ESTIMATE

29. **Cost Index** is a resource tool for adjusting construction costs to reflect variations in the cost of materials, the cost of labor, and other market factors between the time of estimation and the time of construction.
30. Costs related to the wages, salaries, and benefits of construction workers who are directly involved in the project are referred to as **Direct Labor Costs**.
31. **Markups** are the extra percentages or fees that are added to the estimate to cover general expenses, profit margins, and other project-specific costs.
32. 22. The materials, labor, and equipment needed for each task or activity in a construction project are listed and quantified in a **Bill of Quantities (BOQ)**
33. **Value Engineering** is a methodical approach to finding ways to cut costs without sacrificing a construction project's quality, functionality, or value.
34. A **Change Order** is a formal document that the project owner or architect issues to modify the terms of a construction project, such as the work that will be performed, the cost, or the timeline.
35. **Bid Documents** are the group of documents that the project owner releases and that contractors use to create their bids. Typically, these documents include drawings, specifications, and contract terms.
36. **Cost codes** are specific identifiers assigned to each component of the cost of construction that make it possible to track and report costs consistently over the course of the project.
37. Software that automates tasks like quantity takeoff, cost calculation, and reporting in order to assist in creating construction estimates is known as **Cost Estimating Software**.
38. **Contingency** is an allocation or provision built into the construction estimate to pay for unanticipated expenses or uncertainties; typically expressed as a percentage of the project's total estimated cost.
39. **Unit Cost** or **Unit Rate** is the price for a specific material, laborer, or piece of equipment used in construction, expressed as a unit of measurement (such as square feet, cubic yards, or pieces).
40. The ongoing costs of running the construction company, such as executive salaries, office rent, utilities, and insurance, which are apportioned to different construction projects, are known as **Overhead Expenses**.
41. **Profit Margin** refers to the portion of the estimated total cost that is added to reflect the contractor's desired profit on the job.
42. To accurately estimate the costs of construction materials, the process of obtaining and examining prices from suppliers or vendors is known as **Material Pricing**.