

COSTS & ESTIMATING

Cost Categories

Range of Estimates



TYPES OF COSTS

Costs that are directly associated with your project

Direct Costs

Costs that are not easily assigned to a specific project

Indirect Costs

Costs don't change over time or output

Fixed Costs

Costs that do change over time or output

Variable Costs

Costs can be either Direct or Indirect

Costs can be either Fixed or Variable

Costs can be both Direct & Fixed or Variable
Costs can be both Indirect & Fixed or Variable



Rough
Order of
Magnitude

+75%

-25%

Rough Order of Magnitude Estimate: Used early in the project to give an “educated guess” to give a broad range. Not very precise.

ACCURACY OF ESTIMATES



Rough
Order of
Magnitude

+75%

-25%

Budget
Estimate

+25%

-10%

Budget Estimate: More precise. Used during project planning.

ACCURACY OF ESTIMATES



Rough
Order of
Magnitude

+75%

-25%

Budget
Estimate

+25%

-10%

Definitive
Estimate

+10%

-5%

Definitive Estimate: More precise. Used during project planning.

ACCURACY OF ESTIMATES

