

PMM Addendum No. 4 – Changes in Range of Accuracy of Cost Estimate

– effective October 20, 2019 – to align with the revisions made to the range in Accuracy of Cost Estimate for the Class of Estimate. Changes were Class 4 – change from +60 to +50, Class 2 – Change from -10 to -15 and Class 1 – change from (-5 to +10) to (-10 to +15).

The following PMM Sections or pages are impacted by this change:

PMM Page #	PMM Section	Description
3-5	3.3	Part 1: Definition - Feasibility
3-8	3.5	Part 3: Implementation – Detailed Design
5-15	5.4.1.1	How to Classify Costs – Figure 5.5

† 3.3 Part 1: Definition - Feasibility

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Work Stream Progression

The Feasibility work stream may start only upon formal approval to pass through Stage Gate 1.

Projects cannot proceed beyond this point without the necessary approvals. At the end of the

Feasibility work stream the project definition and design must be at ~10% complete or better, and the cost estimate class for Construction should be a Class 4 or better, with the accuracy of the cost estimate between -30% to +50%

† 3.5 Part 3: Implementation – Detailed Design

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Work Stream Progression

The Detailed Design work stream may start only upon formal approval to pass through Control Point #2. Projects cannot proceed beyond this point without the necessary approvals.

At the end of this Detailed Design work stream the project definition and design deliverables must be at ~ 99% complete, and the cost estimate class for Construction should be a Class 1, with the accuracy of the cost estimate between -10% to +15%

† 5.4.1.1 How to Classify Costs

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Figure 5.5

 City of Winnipeg Cost Estimate Classification*			
Cost Estimate Class	Project Definition	Project Definition/ Design % Complete	Accuracy of Cost Estimate
Class 5	Concept Screening, Rough Order of Magnitude Estimate	~1%	-50% to +100%
Class 4	Feasibility	~10%	-30% to +50%
Class 3	Preliminary Design (for Budget Authorization)	~30%	-20% to +30%
Class 2	Detailed Design in progress	~60%	-15% to +20%
Class 1	Detailed Design Documentation Complete, Pre-Tender Estimate	~99%	-10% to +15%
Scalable	Project/Program scope can be adjusted to fit the Budget	N/A	N/A

Cost Estimate Class Descriptions

- Class 5 Rough estimate prepared based on very limited information. Used to make an assessment of initial viability and for long range capital planning.
- Class 4 Estimates prepared based on limited information with some engineering work completed and preliminary scope determination.
- 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 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 1 Pre-tender estimates prepared based on completed detailed design documentation (i.e. drawings, plans, specifications, etc.) as well as complete project delivery plans.
- Scalable Scalable projects/programs will be sized according to the final budget authorization.

* Determined using AACE International, Recommended Practices 17R-97, 18R-97, 56R-08, 97R-18 & 98R-18