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COURSE BROCHURE

Basis of Estimate and Cost Estimate Validation Training Course

1 – 5 November 2027
Milan

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Registered in the United Kingdom and Saudi Arabia

Basis of Estimate and Cost Estimate Validation Training Course

Ref: 2498_94715 **Date:** 1 – 5 November 2027 **Location:** Milan **Fees:** 6200 GBP

Basis of Estimate and Cost Estimate Validation is a 1-week training course for estimators and cost analysts who prepare or check cost figures for projects, products and services, and it produces a cost estimate basis document. Funding approvals, tenders and investment cases increasingly stand or fall on whether the reasoning behind a number can be traced and defended. Jupiter Prime Training built it around the written record that makes an estimate auditable.

Why Basis of Estimate and Cost Estimate Validation Matters Now

Three pressures shape estimating today. Approval boards and lenders ask to see the assumptions, sources and exclusions behind each figure, not just a total. Volatile material, labour and energy prices shorten the life of historical rates, so estimators must show how data was adjusted. Digital quantity take-off and cost databases speed up pricing but hide unchecked input errors. An organisation whose estimates carry a clear basis wins approval faster and defends overruns honestly; one without it repeats the same optimism bias on every scheme.

Who Gains Most from Basis of Estimate and Cost Estimate Validation

- Estimators who price scope from drawings, specifications or work breakdowns
- Cost analysts who check estimates before they reach an approval board
- Commercial staff who prepare tender prices and bid cost build-ups
- Finance analysts who turn estimates into budgets and investment cases
- Planning engineers who link quantities and durations to cost

An estimating or cost engineering unit gains most when several members attend, since they return with one shared layout for recording and challenging every estimate.

Basis of Estimate and Cost Estimate Validation Capabilities

Participants practise selecting an estimating method that suits the maturity of the scope, recording each assumption and testing the result before it is signed.

- Select parametric, analogous or bottom-up methods to match scope definition — the estimate owner
- Calculate unit rates and cost-estimating relationships from adjusted historical data — pricing reviewers
- Specify assumptions, exclusions and data sources in a traceable record — approval boards
- Assess estimate accuracy ranges and set contingency from identified uncertainty — project sponsors
- Test an estimate through cross-checks, benchmarks and independent recalculation — cost assurance staff
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Communicate estimate confidence and its drivers in plain language — finance and decision makers

Key Basis of Estimate and Cost Estimate Validation Terms

- Basis of estimate — the written record of scope, methods, data sources, assumptions and exclusions behind a cost figure.
- Parametric estimating — pricing from a statistical relationship between cost and a measurable driver such as floor area or capacity.
- Analogous estimating — scaling the known cost of a similar past job, adjusted for size, time and location differences.
- Bottom-up estimating — pricing each work package from quantities and unit rates, then summing upward.
- Contingency — an allowance for known but unquantified items within the defined scope, distinct from scope change.
- Accuracy range — the expected low and high spread around an estimate, narrowing as scope definition improves.

Basis of Estimate and Cost Estimate Validation Day by Day

Day 1: Estimate Purpose and Scope Maturity

- Estimate Purpose Statement — Screening, Budget, Tender or Control Use
- Scope Definition Checklist — Matching Estimate Detail to Design Stage
- Work Breakdown and Cost Breakdown Structures — Pricing Units and Coverage
- Estimate Maturity Classes — Expected Accuracy at Each Stage
- Historical Cost Database Hygiene — Normalising Old Rates for Reuse

Day 2: Choosing and Applying Estimating Methods

- Parametric Cost-Estimating Relationships — Driver Selection and Fit Testing
- Analogous Scaling and Capacity Factors — Adjusting Past Jobs Fairly
- Bottom-Up Quantity and Unit Rate Build — Labour, Plant and Materials
- Indirect Costs and Overheads Loading — Site, Design and Management Allowances
- Escalation and Price Indexing — Moving Costs to the Spend Period

Day 3: Uncertainty, Contingency and Ranges

- Assumption and Exclusion Register — Separating Scope From Risk
- Three-Point Estimates — Optimistic, Likely and Pessimistic Values
- Range Estimating and Simulation Outputs — Confidence Levels for Approval
- Contingency Setting Methods — Percentage, Expert Judgement and Risk-Based
- Optimism Bias Adjustment — Lessons From Overrun Histories

Day 4: Validating and Challenging Estimates

- Estimate Review Checklist — Completeness, Arithmetic and Consistency
- Benchmarking Against Comparable Schemes — Hospital Building and Software Rollout Cases
- Independent Recalculation of Major Items — Finding Pricing Drift
- Estimate Reconciliation Between Versions — Explaining Movement to Sponsors
- Presenting Estimate Confidence — Charts and Narratives for Boards

Day 5: Practising the Cost Estimate Basis Document

- Method Selection Rationale — Applying Day 2 Choices to a Case Scope
- Assumption Register Drafting — Applying Day 3 Separation Rules
- Peer Validation Exchange — Applying the Review Checklist to Another Estimate
- Accuracy and Contingency Statement — Stating Range and Confidence
- Cost Estimate Basis Document — Completing Sections Ready for Sign-Off

Applying Basis of Estimate and Cost Estimate Validation After the Course

- Write a basis record for the next estimate issued, listing method, sources, assumptions, exclusions and accuracy range.
- Run the review checklist and one independent recalculation on a live estimate before it goes to approval.

Basis of Estimate and Cost Estimate Validation Questions FAQ

What is basis of estimate and cost estimate validation, and why does it matter now?

It is the practice of documenting how a cost figure was built and testing it before approval. Boards and lenders now expect traceable assumptions, and volatile prices make undocumented estimates hard to defend.

Which roles gain most from basis of estimate and cost estimate validation?

Estimators and cost analysts gain most. Commercial staff pricing tenders and finance analysts building investment cases also use the registers and review checklists.

How does basis of estimate and cost estimate validation differ from a project cost control course?

It concentrates on building and proving the estimate before money is committed. A cost control course tracks spend against an approved baseline afterwards; here you work on methods, ranges, contingency and validation.

What do you bring back from basis of estimate and cost estimate validation?

You bring back a completed estimate basis record for a case scope. It shows the method, sources, assumption register, accuracy range and contingency statement.

Basis of Estimate and Cost Estimate Validation: The Way Forward

The cost estimate basis document first informs the go or no-go decision on the next funding request. Estimators, reviewers and sponsors all read the same record. After its first use, the part worth revisiting is the contingency statement, comparing the range set against actual outturn to recalibrate future allowances.