

King Fahd University of Petroleum & Minerals
College of Environmental Design
Construction Engineering & Management Department
CEM 511
Construction Estimating
Fall 2005/2006



Project management system

Objectives are to complete the project:

- On time.
- Within budget.
- Conforming to plans and specifications.

To achieve objectives:

- Prepare a plan before construction starts.
- Conduct control during construction.



Project budget (Cost plan)

- It is an estimate for how much the project will cost.
- It is a basis requirement of the project owner.
- It is usually based on the project work items.
- It is prepared before the actual work of the project starts, and represents the planning aspect of the project.



Project cost control

- **Monitoring the actual cost.**
- **Comparing actual costs to the corresponding budgeted cost.**
- **Detecting work items with cost deviations.**
- **Analyze the situation to find out what is the direct cause behind deviations.**
- **Implement corrective actions.**

