



Standard Classification for Cost Estimate Classification System^{1, 2}

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1. Scope

1.1 This classification provides a generic classification system for cost estimates and provides guidelines for applying the classification to cost estimates.

1.2 This classification maps the phases and stages of cost estimating to a generic maturity and quality matrix, keyed to a degree of project definition, that can be applied across a wide variety of industries.

1.3 The Cost Estimate Classification System has been developed in a way that:

1.3.1 provides a common understanding of the concepts involved with classifying cost estimates;

1.3.2 defines and correlates the major characteristics used in classifying cost estimates, and;

1.3.3 uses the degree of project definition as the primary characteristic used to categorize estimate classes.

2. Referenced Documents

2.1 *ASTM Standards*:³

E631 Terminology of Building Constructions

E833 Terminology of Building Economics

E1804 Practice for Performing and Reporting Cost Analysis During the Design Phase of a Project

2.2 *Other Standards*:

ANSI Z94.2-1989 Industrial Engineering Terminology: Cost Engineering⁴

AACE International Recommended Practice No 17R-97: Cost Estimate Classification System⁵

¹ This specification is under the jurisdiction of ASTM Committee E06 on Performance of Buildings and is the direct responsibility of Subcommittee E06.81 on Building Economics.

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² This classification is based on the AACE International Recommended Practices 17R-97, 18R-97, and 56R-09 pertaining to Cost Estimate Classification System.

³ For referenced ASTM standards, visit the ASTM website, www.astm.org, or contact ASTM Customer Service at service@astm.org. For *Annual Book of ASTM Standards* volume information, refer to the standard's Document Summary page on the ASTM website.

⁴ Available from American National Standards Institute (ANSI), 25 W. 43rd St., 4th Floor, New York, NY 10036, <http://www.ansi.org>.

⁵ Available from the Association of the Advancement of Cost Engineering International (AACE International), 209 Prairie Avenue, Suite 100, Morgantown, WV 26501, <http://www.aacei.org>.

AACE International Recommended Practice No 18R-97: Cost Estimate Classification System: As Applied in Engineering, Procurement, and Construction for the Process Industries⁵

AACE International Recommended Practice No 56R-08: Cost Estimate Classification System – As Applied in Building and General Construction Industries⁵

3. Terminology

3.1 *Definitions*—For definitions of terms used in this practice, refer to Terminology E833 and Terminology E631.

4. Significance and Use

4.1 Use of this classification will improve communication among all the stakeholders involved with preparing, evaluating, and using cost estimates.

4.2 The various parties that use cost estimates often misinterpret the quality and value of the information available to prepare cost estimates, the various methods employed during the estimating process, the accuracy level expected from estimates, and the level of risk associated with estimates.

4.3 This classification applies the degree of project definition as the primary characteristic for determining an estimate's classification.

4.4 Using this classification will help those involved with project estimates to avoid misinterpretation of the various classes of cost estimates and to avoid their misapplication and misrepresentation. Improving communications about estimate classifications reduces business costs and project cycle times by avoiding inappropriate business and financial decisions, actions, delays, or disputes caused by misunderstandings of cost estimates and what they are expected to represent.

4.5 This classification is intended to be generic and so provide a system for the classification of cost estimates in any industry. There are also references to specific industries, for cost estimate classification as applied in: AACE International, Process Industry 18R-97, and AACE International, Building/General Construction Industry 56R-08.

4.6 Estimate classifications provide valuable additional reporting information when used as an adjunct to Practice E1804.