

Directions for Estimating Template

Overview

This is a summary document. The full estimating template is available for licensed users.

This estimating template provides a common format for making estimates for typical IT development projects. If all estimators use a common format, it will be much easier for the entire organization to create and interpret the results. The template also provides a sense for the types of information that should be included in a cost estimate. This template can be customized for each company if other information is also important. The project estimates should be entered in each detail tab. The summary tab will automatically contain a rollup of all the detailed project estimates.

Summary Sheet

The information on the summary sheet is automatically calculated from the other detailed sheets. If there is no detail provided, the numbers can be updated directly on the summary sheet.

Labor Hours - Enter the total number of hours per phase, which is rolled up on the summary page.

Labor Dollars - Use the standard internal rate for employees. If contractors or consultants, enter their actual or estimated rate on separate lines in the detailed sheets.

Non-Labor Dollars - Reflect all non-labor costs. This normally includes hardware, software and maintenance charges.

Total Dollars - This field should be calculated and does not need to be overridden.

Confidence Factor - How confident is your estimate based on the information you have? A confidence factor of 90%, for instance, would mean that the estimate has a range of +/- 10%. In general, the confidence factor gets lower, the further out the work is.

Detailed project estimates included? - Answer yes if the detailed project estimates are included in the other sheets. If only the summary page is completed, answer no..

Life Cycle Costs - Some estimates must include not just the cost of the project, but also the cost to support the system in the future. These are life-cycle costs. Even though the system may be around a long time, usually you only need to account for the support costs for a three to five year timeframe.

Assumptions and Risks - Enter any estimating assumptions and risks that were used as the basis for this information

Detailed Phases

Resources - Add specific names when you know them. If you don't, add them as generic placeholders such as programmer/analyst, Web Developer, etc.

Training - Add any training costs that will be absorbed directly by the project. If the training costs are paid for elsewhere, they do not need to be included here.

Travel - Add all projected travel costs, including transportation, lodging, meals, etc.

Other non-labor - This could include project team meetings, supplies, phone calls, etc.