# 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 +60% |
| **Class 3** | **Preliminary Design (for Budget Authorization)** | **~30%** | **-20% to +30%** |
| Class 2 | Detailed Design in progress | ~60% | -10% to +20% |
| Class 1 | Detailed Design Documentation Complete, Pre-Tender Estimate | ~99% | -5% to +10% |
| Scalable | Project/Program scope can be adjusted to fit the Budget | N/A | N/A |

## Cost Estimate Class Descriptions

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|---|---|
| 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 the AACE International Recommended Practices 17R-97, 18R-97 & 56R-08

** City Auditor has recommended that a Class 3 estimate be prepared one year in advance of construction