

Cost Index

*Inform your financial processes
with historical cost trends*

What is the Cost Index Service?

Infotech's Cost Index Service helps organizations with their estimation, budgeting, and financial planning by analyzing historical cost and contract data in their construction management system. Organizations use the comprehensive Cost Index Report to identify major cost drivers in common construction types, estimate construction costs in their market, and adjust estimates and budgets to be accurate to market conditions.

- The Cost Index Report informs:**
- + Bid-based, cost-based, and long-term estimates
 - + Agency budgets
 - + Collusion detection support

The Process

1. **Analyze** the quality of your bid data by applying a model that ensures key data fields are populated, consistent, and accurate
2. **Classify** items for estimation purposes and contracts according to major work types
3. **Establish** geographic markets and set a bid history library for major work types
4. **Build** a starter set of major item cost sheets for top dollar items
5. **Define** major cost groups and map items to cost groups
6. **Test** and refine bid history libraries and ensure agencies are set-up for continued success

Benefits of the Cost Index Service

The Cost Index Service eliminates the need to gather bid prices from old contracts to estimate items.

By taking guesswork out of the equation, agencies that undergo a Cost Index analysis benefit from insights in the following areas:

- + Determining market trends for groups like Surfacing, Earthwork, Structural, etc.
- + Understanding if price trends result in estimates that are too low or too high
- + Adjusting bid-based estimates and verifying cost-based estimates
- + Seeing how costs rank with neighboring agencies to evaluate potential changes
- + Providing a quick reference to price changes to support collusion detection analysis

Deliverables

- + **System data classification**
- + **Bid history libraries**
- + **Comprehensive cost sheets**
- + **Cost trend reports**
- + **Procedural training**

If you have questions, or need additional information, contact the team at dataservices@infotechinc.com.