COST MANGEMENT
course outline

1. **Planning/Budgeting:**
   - Owner's Historical Cost Data
   - Owner's Project Budget Elements/Development/Verification
   - Difference between Project Budget vs. Construction Budget
   - Contingencies – type, definition, and uses (and vs. escalation)
   - Cash flow projections

2. **Designing to the Budget:**
   - Design-to-Dollar amount
   - Cost Model
   - Cost Estimating
   - Current Market Conditions/Survey
   - Design contingency and Contractor contingency
   - Escalation factor
   - Scope creep
   - Design assist/IPD-ish

3. **Value Management:**
   - Value analysis/value engineering
   - Use of allowance
   - Use of alternates
   - Decision impacts
   - Procurement strategies

4. **Construction Phase Cost Management:**
   - Cost Review/Monitoring – Guaranteed Maximum Price (GMP) versus Lump Sum Price
   - Change Order Management
   - Contingency Management – Contractor and Owner
   - Claims avoidance/process

5. **Recommendations on Using the CMAR Method**
   - Final payment application
   - Final lien waivers
   - Retainage release
   - Final payment
   - Final cost accounting

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