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European Journal of Advances in Engineering and Technology, 2020, 7(5):125-129

Research Article ISSN: 2394 - 658X

Integrating Building Information Modeling (BIM) in Cost Estimation: Assessing the Benefits and Challenges

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ABSTRACT

By confronting the cost estimation process within construction with the revolution in Building Information Modeling (BIM), manual, error-prone methods have been replaced with dynamic, automated solutions. However, such traditional cost estimation methods require manual input, static data and are prone to budget overruns and delays. Using real time data and automating quantity take off, BIM helps to increase the accuracy of the cost estimates, fully utilize resources and facilitate better collaboration between stakeholders. While these advantages exist, BIM adoption is, however, limited by challenges including high implementation costs, incompatibility interfacing among software's platform, and specialized training required. In this paper, an extensive review of BIM integration to the cost estimation process, along with the advantages and drawbacks are presented with case studies. Opportunities for eliminating adoption barriers and exploiting the powers of BIM to transform the quantity estimation function in the construction industry are proposed.

Keywords: Building Information Modeling (BIM), Cost Estimation, Construction Management, Quantity Take-off, Real-time Data, Automation, Collaboration, Interoperability, Cost Prediction, Project Lifecycle, Budgeting, Cost Efficiency, Digital Construction, Lean Construction.

INTRODUCTION

The accuracy of cost estimation is a crucial success point of construction projects. It helps establishes a good base for proper budgeting, resource planning and financial management of a project regardless of its lifecycle. Cost estimation in the past was done through manual process, historical data and expert judgment. But these methods are becoming less and less appropriate for today's complex construction works, which require greater precision and flexibility to dynamic environment [1]. However, manual cost estimation often leads to errors, which then leads to budget overruns, and delays, and inefficiency.

With the advent of Building Information Modeling (BIM), these problems are addressed by providing a digital representation of the physical and functional characteristics of a building in a single model. BIM is the tool that supports modern construction dynamic and data driven environment in which stakeholders can work with real time data, automated cost estimate process. Traditional methods are inefficient and BIM changes this by providing automated quantity takeoffs, integrating design and cost data, and real time updates as your project designs change. Therefore, BIM is responsible for substantial enhancement in the accuracy of monetary estimates, minimization of project budget overruns, and effective relationship among architects, designers, contractors and financial managers [2,3].

While many advantages are clear, many barriers prevent ubiquitous use of BIM in cost estimation. It is hampered by high implementation costs, interoperability between the various platforms used, and the requirement for particularized training, especially for the small and medium-sized firm. In this paper these challenges are explored in narrower bands, benefits from the BIM are reviewed, and case studies developed with the use of BIM are presented as examples for real practice in the construction industry. Additionally, it recommends ways to overcome these challenges and fully harness the possibility of BIM in cost estimation.

THE IMPORTANCE OF ACCURATE COST ESTIMATION

Accurate cost estimation is important to successful completion of construction projects. It impacts decisions on how much to procure, how many resources to employ on a given project, how quickly, and project feasibility in general. Celerity: inaccurate estimates cause financial losses, project delays and even loss of project. Classic cost estimation

methods, such as manual calculations, historical data, and the estimation knowledge of estimators often do not consider the complexity and variability of modern construction projects [4]. For this reason, many projects have blown over budget because of unexpected expenses, material shortages or design changes.

It is now recognized that BIM addresses these issues through integrating real time data with the design and construction information into a comprehensive digital model. This facilitates better and more dynamic cost estimation which means, at least, an alignment of budget with the real cost of materials, labor, and equipment during the lifetime of the project [5]. BIM automates many of the manual tasks in cost estimation thereby reducing human error, and enhancing the predictability of forecasts of budget.

BIM AS A SOLUTION TO TRADITIONAL COST ESTIMATION CHALLENGES

Automation of Quantity Take-offs

Quantity take offs is one of the main benefits of BIM in cost estimation as it provides the ability to automate. Estimators must use these traditional methods to manually estimate the materials, labor, and equipment quantity necessary for a project by design drawing. In large or complex projects this process is prone to errors and extremely time consuming [6]. With BIM it automates this process of directly extracting quantity data out of the design model so the cost estimates are based on the latest and most accurate way.

Say an architect alters the design of a building — for example, reducing the size of a room or switching materials — BIM automatically updates its quantity take-offs and recalculates the structure's corresponding costs. This removes the need to recalculate all costs mechanically; and once this is done, cost estimates are accurate and represent the current project design [7]. Automated methods also mean that project teams can create much faster cost estimates over the traditional methods, making for a more efficient - and more timely - making of decisions.

Real-time Cost Data Integration

BIM also automates quantity take offs as well as incorporating a real time cost data into the design model. Current market conditions from a cost estimation point of view are usually difficult to capture with traditional cost estimation methods due to their dependence on static data, for example, historical material prices or labor rates. However, BIM enables live cost data from suppliers and subcontractors to be integrated into project teams to make cost estimate based on the latest market information [8].

This real time integration helps project managers to change cost estimates in response to changes in material prices, labor availability or project scope. This is demonstrated, for example, when the cost of steel increases unexpectedly, BIM can instantly reflect that in the cost estimate to enable project team to make informed decisions about procurement or adjust the design to keep the budget within limits [9]. An integration of real time cost data preventing budget overruns due to market fluctuations and ensuring project financial viability.

IMPROVED COLLABORATION AND TRANSPARENCY

The greatest BIM strength is that it allows project collaborators and stakeholders to collaborate and communicate more effectively. Typically, in traditional construction workflows architects, engineers, contractors, and cost estimators often operate in siloes with separate tools and datasets. The result is a fragmented approach that creates miscommunication, errors and delays when not working from the same information [10].

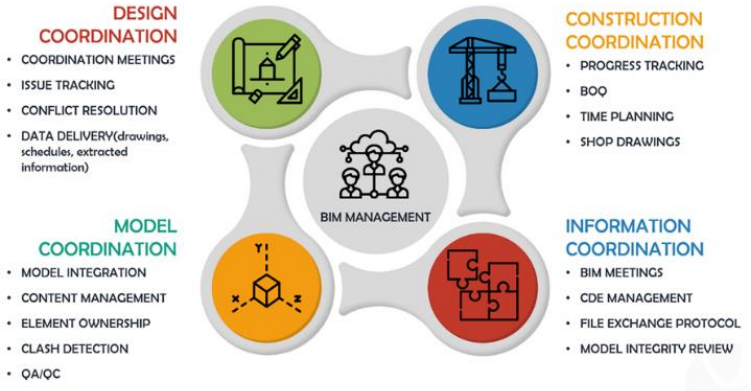

Figure 1 *BIM Coordination Framework: This diagram illustrates how BIM facilitates coordination across various domains, including design, model, construction, and information management. Each area benefits from enhanced communication, data sharing, and issue tracking, streamlining the overall project management process.*

It (BIM) eliminates these silos by introducing a single, central model that everyone shares and that can be updated in real time. With this integration approach, it means everyone will be working from the same set of data so that

errors will be minimized and communication between teams will be much easier. For instance, once a design change is implemented, the updated cost estimate becomes accessible to all stakeholders at once and helps them to make informed decisions and avoid costly delays [11].

BIM also lets stakeholders visualize the effects of design changes before the changes are made, as well as the financial effects of the changes before they actually happen. BIM offers by giving a 3D model with cost data, it will help project team to understand how one design would affect another's cost on a project. The level of transparency that such an approach provides also provides stakeholders with the opportunity to recognize early in the project lifecycle where cost savings may be identified at this level [12].

ENHANCING PROJECT EFFICIENCY WITH BIM

Streamlining Decision-Making Processes

BIM allows for faster, more informed decision making via the real time cost data and visual representations of project designs. Manually calculating quantities, updating cost estimates, and sharing changes among the stakeholders have traditionally led to decision making delays by the elapsed time used in estimating cost. With BIM, these processes are automated, which lets the project team take more efficient and more accurate decisions [13].

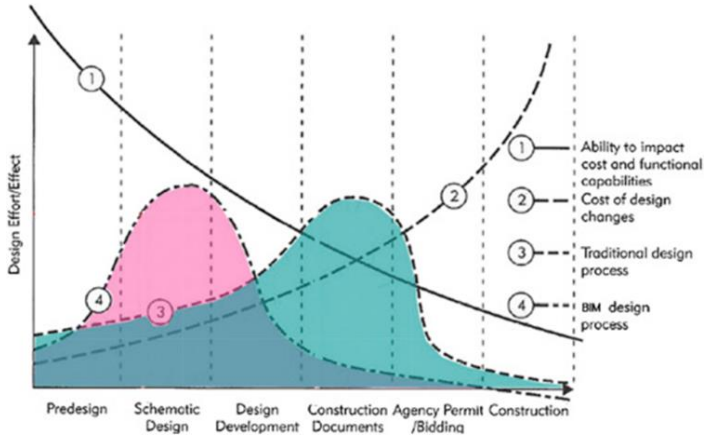

Figure 2: *Comparison of Traditional and BIM Design Processes in Terms of Impact on Costs and Design Effort Over Time. The graph demonstrates how BIM allows for more efficient design changes earlier in the project lifecycle, leading to reduced cost changes and better management of design complexity*

Stakeholders can visualize what design changes are being considered and the implications of their cost, allowing them to evaluate alternatives and choose the lowest cost option. For example, if a building's facade in a project is considered for use of a different material, BIM facilitates quick economical or aesthetic impact estimation of these materials, so that decision can be made that satisfies both the budget and design of the project [14].

Improving Risk Management

BIM goes on to improve risk management in construction projects by improving the accuracy of the view that we have of the risk associated with a project and the project cost. The traditional cost estimation methods seldom consider the possibility of such an unexpected event or change in project scope that causes budget overrun and delay. Using BIM, project teams can run scenarios to determine how they might impact the cost and schedule of the project [15].

For example, delays in material shipment on a project can be simulated with BIM, and the effect on all the variables such as budget and schedule can be determined. That enables project managers to create contingency plans and adjust project budget accordingly. BIM identifies potential risks early in the project lifecycle and prevents costly surprises as we complete projects on time and within budget [16].

CHALLENGES IN IMPLEMENTING BIM FOR COST ESTIMATION

Interoperability and Integration Issues

However, the biggest challenge in BIM application for cost estimation is the lack of interoperability between different software platforms. In construction, project has many stakeholders that use different tools to design, cost estimate, and project manage, an issue which often results in delays and cost overruns. But if these are not tools that are integrated seamlessly, it is especially difficult to share data between teams, causing inefficiencies and errors [17].

Imagine that a design is made with one BIM platform; the contractor or cost estimator may use another tool to manage project costs. If these platforms are not compatible, data has to be hand transferred or reentered, therefore increasing the chance of errors and decreasing the efficiency of the whole process. To address this challenge,

standardized data formats and protocol is needed that allow different BIM platforms to work together effectively [18].

High Initial Costs and Training Requirements

The big challenge to BIM implementation is also its high initial cost. BIM software purchase, hardware upgrade, and staff training are expensive expenses, especially for small and medium sized enterprises (SMEs). The learning curve for BIM software can also be quite steep so that significant time and resources will be required to train staff on the use of the tools [19].

The upfront cost of BIM may be daunting for many firms, and especially for firms which have limited budgets. Whilst the costs of implementing BIM at the outset are higher, its benefits are often retained long term. This investment in BIM can lead to reductions in time spent on manual calculations, improved accuracy of cost estimates, and broader stakeholder collaboration, all of which can amount to cost savings during a project over time enough to offset the initial investment [20].

Through only focusing on the BIM technology and not investing into training and development programs for their staff, firms will not be able to fully experience the benefits of the BIM. So this is a training investment that is important because we want to make sure that employees can actually use the software and use it in the flow about their work.

CASE STUDIES: PRACTICAL APPLICATION OF BIM IN COST ESTIMATION

Practical examples are provided in several case studies in order to show how BIM can benefit the cost estimation process. Using BIM as a case, a 15 per cent reduction in cost estimation errors was achieved through automation of the quantity take off process for a large commercial development project. Thanks to this, the project team could make real time adjustments to the design and immediately see the consequent financial effects of those changes, avoiding cost overruns [21].

A second case study involved use of BIM to support collaboration among a number of stakeholders including architects, engineers and contractors in facilitating a government infrastructure project. BIM allowed stakeholders to communicate more efficiently with a central model that everyone had access to and reached resolve to design disputes early in the project. In addition to reducing the risk of delay, this improved collaboration also led to a more accurate cost estimate that matched the final project costs very well [22].

The case studies presented in this thesis demonstrate how BIM can enhance accuracy, efficiency, and collaboration in real world construction projects. BIM automates manual processes and gives real time updates to cost estimates making sure that a project sticks within the time and budget required.

CONCLUSION

However, the greatest advantages offered by Building Information Modeling (BIM) are higher accuracy in cost estimation, greater automation of manual processes, integration of real time data, and better collaboration among stakeholders. BIM brings about project teams by providing a shared platform to collaborate. This improves communication and cost estimates are based on the most up to date information. While progress in interoperability issues, high initial costs, and training issues continue to prevent widespread adoption, they also have been addressed.

In order to take full advantage of the potential of BIM in cost estimation, the construction industry first has to invest in standard data formats, training programs and building interoperable software. The high initial costs associated with implementing BIM can be counterbalanced by the long term savings, and improvement in project performance that BIM can bring. Buildings Information Modeling (BIM) technology is being developed, and is set to, play an increasingly essential out of transforming cost estimation and project management in the field of construction.

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