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The Role of Software in Modern Construction Estimating: Evaluating the Effectiveness of Estimation Software Tools

Abhiram Reddy Anireddy

anireddy.abhi@gmail.com

ABSTRACT

It can not be over emphasised that the advent of construction estimation software tools has really overhauled how project cost estimation processes have been done in modern construction industry. However, traditional methods relying on manual calculations, historical data, and the expertise of the project team, have proven not powerful enough to manage the complexity of current projects. Key processes are automated with estimation software tools that streamline workflows, reduce human error and thus inefficiency, and improve to estimated costs. This paper conducts a detailed review of the use of software in construction estimating, and focuses on the performance of different forms of software in helping to control projects costs, resources, and decisions. Software interoperability, data integration and user training are explored as key challenges. Case examples present that the application of software is financially and operationally beneficial; recommendations for overcoming infrastructure implementation hurdles that limit the potential of such approaches are proffered.

Keywords: Construction Estimating Software, Cost Estimation, Automation, Quantity Take-off, Project Management Software, Resource Allocation, Data Integration, Estimating Accuracy, Construction Technology, Interoperability, Digital Construction Tools, Decision-Making Efficiency.

INTRODUCTION

Being able to accurately estimate the cost in construction is a vital component of delivering the projects. It dictates how much money to budget for, how resources to be allocated and how to prepare the financial plan for a given project life cycle. Nevertheless, cost estimation in today's more complex environments is often not suited to traditional methods that rely heavily on manual calculations, historical data and expert judgment. These methods are prone to errors, inefficiencies and time consuming methods which may incur delays, can cause overspending in the budget, and leads to misallocation of resources [1].

In modern construction project there is a need of a matured and sophisticated costing system. Today, with construction still in the process of becoming semi data driven and digitalized, there are no doubt software tools to estimate project costs that have become essential tools to contractors, engineers, and project managers. These tools automate many of the steps required to estimate the cost of material, labor and equipment and make the process faster and more accurate. In addition, they facilitate integrating real time data into the calculations, so that the cost estimates reflect the conditions on the real market.In this paper, the role of software tools in modern construction cost estimation is evaluated comprehensively. The benefits and shortcomings of software adoption are summarized, and the manner in which estimation software has increased accuracy and efficiency is described, along with case studies illustrating the practical utilization of these tools in actual construction projects. The objective is to evaluate the all round effectiveness of construction estimation software and suggest means to overcome its hindering challenges in the field.

TRADITIONAL COST ESTIMATION: LIMITATIONS AND CHALLENGES

It is important to explore the role of software in modern construction estimating before embarking on this journey, as ideas must be probed with their limitations. Traditional cost estimation involves manual processes which include taking measurements from blueprints, calculating quantities of materials, and then applying unit rates to a total project cost. This is a time consuming, labour intensive and prone to error process [3].

Furthermore, traditional cost estimation methods are often based on historical data that could not be used to represent the current market condition. Budgeting overruns as well as financial risk result when just as an example,

material prices or labor rates fluctuate which makes your cost estimate inaccurate. Besides, manual methods are unable to adjust to changes in design of the project or its scope, as the cost estimates can only be recalculated after a long time.

Secondly, the manual input involves human error as well. Accurately predicting costs also means costing may inadvertently omit important items or incorrectly measure quantities. Additionally, there is also a lack of effective communication with other teams (architect, engineers, contractors, and estimators) leading to a misalignment of project goals and the cost expectation. But these limitations also mean that more advanced tools are needed to automate and simplify the cost estimation process.

EMERGENCE OF SOFTWARE TOOLS IN CONSTRUCTION ESTIMATING

Automation of Quantity Take-offs and Cost Estimation

The ability of estimation software to automate the quantity take-off process is one of the most important contributions of estimation software. Until now, estimators would manually figure out quantities of materials used on a project, based on drawings or blueprints. This process is automated, via estimation software, that takes quantities from digital models directly and so cost estimations are based on accurate and current information [5].

For instance, Autodesk's Revit, Tekla from Trimble, and PlanSwift do just this; users input a design into the system and the system figures out all of the quantities needed in materials, labor and equipment. Not only does this automation accelerate the estimating process, but it reduces the probability of human error to a minimum, so cost estimates are much more likely to be accurate and in accordance with project needs [6].

Additionally, most modern estimating computer tools also provide for real time cost estimate updating as changes are made to the project design. Every time an architect changes the layout or materials on a building, the software tracks these immediate changes through quantity take-offs, and calculates new associated costs. This dynamic approach to forecasting costs ensures project budgets stay on track with incremental scope changes, thereby minimising the chance for budget overruns and unanticipated charges [7].

Integration with Project Management and Scheduling Tools

Another great advantage of construction estimating software in this case is its integration with project management and scheduling tool. Project management platforms including Microsoft Project, Primavera P6, and Procore can have estimation software linked to it in order to link the cost data with project schedules and timetables. This integration helps managers align costs with delivery milestones, resource availability and timelines [8].

For instance, when a project schedule is combined with cost estimates, software can automatically develop the cash flow requirements of each phase of construction. It enables better financial planning by allowing you to know exactly how much you need to save at every time period, and having enough resources available when you actually need them. Moreover, the linking of cost data to project management tools enables estimators and project managers to more effectively monitor progress, detect cost overrun potential, and adjust the schedule or budget based on analysis [9].

Incorporating cost estimation into project management and scheduling provides increased project coordination and decision making at the overall project level, by ensuring that cost estimates are not developed in isolation, but are part of a larger project strategy.

Real-Time Data and Market Integration

In addition to real-time market data such as current material prices and labor rates, estimation software tools also offer real time access to the data and market literature. Given the nature of an industry in which prices can rapidly rise and fall as supply chain disruptions, market demand or global economic conditions [10], this is especially important. Consequently, traditional methods based on static data are not equipped to keep pace with these changes and the resulting estimates are not only often erroneous but also create financial risk.

In addition to older tools like owner's estimates, which can be made using computer programs like CostX and Sage estimating, modern estimation software tools such as Bluebeam Revu better allow for users to incorporate live market data into their estimates. By doing so, predictions about cost are based on the most up to date data available, and therefore, the opportunity for cost overrun due to outdated data is reduced. In the case that the price of steel suddenly spikes, the estimate software can automatically update the materials costs with the estimate itself, so the project team can respond with altering procurement strategies [11].

Estimation software provides access to real time data meaning that project teams can more accurately forecast and make better financial decisions, ensuring they stay on budget and surprised by costs.

BENEFITS OF CONSTRUCTION ESTIMATING SOFTWARE

Enhanced Accuracy and Precision

An advantage of construction estimation software is that it improves the accuracy and precision in the cost estimating process. The methods are manual and prone to errors and often requires estimators to use incomplete information and make assumptions. The downside is that estimation software automates many of these processes and eliminates much of the risk of human error when it comes to estimating costs and the data used [12].

The greater transparency in the estimating process is also aided by software tools. For instance, many estimating platforms enable you to monitor where your cost data originated from, e.g. material price or labor rates, and adjust this data so it is accurate. It provides a level of transparency for project managers to find potential cost drivers and to make rational allocation of resources. Furthermore, by automating quantity take offs and integrating real time data, software tools guarantee that cost estimates are current and correspond to prevailing market conditions [13].

Figure 1: *Top 6 Benefits of BIM for Cost Estimation: This infographic summarizes the key advantages of using BIM platforms like Revit for cost estimation, including efficiency, predictability, interoperability, quicker take-offs, better cost forecasting, and the ability to evaluate design options easily.*

Improved Efficiency and Time Savings

Estimation software goes beyond providing accuracy benefits, greatly reducing the labor intensive processes of lot take off's and material calculations. For large or complex projects however, traditional estimating methods can take days or even weeks to complete. But, estimation software can provide a detailed cost estimate of a project in a matter of hours, thus, enabling project teams to respond better to the changes faced in a project or project scope or its design [14].

Specifically, this time savings is particularly valuable in fast paced construction environments in which delays in cost estimation can lead to project slowdowns or missed deadlines. Software tools streamline the estimation process, helping project teams make faster decisions, reduce project slippage, and spend within given project timelines.

Improved Collaboration Between Stakeholders

Construction estimating software also helps to cooperate and to share information between project stakeholders. Traditional workflows transfer cost estimation into auto mode and separate it from other stakeholder teams like architects, engineers and contractors. This can result in miscommunication, error and misalignment in terms of project goals and cost expectation [15].

Figure 2: *This diagram shows how real-time data from market prices, labor rates, and supplier feeds integrate into construction estimating software.*

By providing software tools that break down these silos, sharing a single platform by which all stakeholders can access and update cost data in real time, they aid in breaking down these silos. Imagine the architect makes a design

change and the cost estimate automatically updates along with notifying the estimator and project manager. What that does is ensures that everyone is pulling from the same data set so there is less chance of error due to miscommunication [16].

Estimating software promotes greater collaboration and communication, to ensure project goals line up with cost estimates, reducing risk of overspending and subsequently, improving the project result.

CHALLENGES IN IMPLEMENTING CONSTRUCTION ESTIMATING SOFTWARE

Interoperability and Integration Issues

While construction estimating software offers many benefits, there's still resistance to its adoption. Interoperability between different software platforms is one of the biggest issues. Many design, cost estimate and project management tools are utilized in the various stakeholders of a construction project. However, if these tools don't 'just work', combining data between teams can prove difficult, resulting in inefficiencies and errors [17].

For example, an architect may use one software platform to design and a contractor another to estimate cost. However, if these platforms are not capable, data must be manually transferred or reentered and with that error risk and the efficiency of this entire process demonetized. To address this problem, it is necessary to build standardized data formats and protocols that different software platforms can communicate effectively [18].

High Initial Costs and Training Requirements

One of the major barriers to construction estimating software adoption is the high implementation costs. Especially for smaller or medium sized companies, this can be a huge financial investment buying software licenses, buying new hardware and even training staff members to use the tool effectively. Moreover, software platforms have a steep learning curve that usually takes a lot of time to afford staff to be trained in the effective use of the tools [19].

The transition of software based estimation can be daunting for firms that have previously used manual methods to estimate an LTI. Yet, while the cost of software implementation may be high up front, the longer term gains in terms of accuracy, faster throughput and improved collaboration make up for this. The software needs to be bought, which means that firms must have the ability or willingness to invest in training and development programs that will enable those using the software to be able to use it and integrate it into their workflows.

CASE STUDIES: REAL-WORLD APPLICATION OF ESTIMATING SOFTWARE

Case Study 1: Large Commercial Project Using Procore Estimating

The construction firm would use the Procore Estimating to alleviate the cost estimation process in a large commercial development project. The firm automated quantity take offs and integrated real time supplier data and was able to cut down cost estimation time by 30 percent when traditional method is compared. The software also let the project team update the cost estimate in real time as design changes occurred, keeping the budget tracking the line item of the project scope [20].

In addition, the firm was able to link cost data to the project schedule on the project management platform, and broaden the financial planning and resource allocation. The project team was able to stay on schedule and help to keep costs in check thanks to this integration and came out with a more efficient and cost friendly project.

Case Study 2: Infrastructure Project Using Bluebeam Revu

The construction firm, working in a government infrastructure project, employed Bluebeam Revu to help to automate the cost estimation process and facilitate better communication amongst stakeholders. Bluebeam Revu allowed architects, engineers, and contractors to access and update cost data in real time on one shared platform, providing the means for increased communication and accuracy from all stakeholders with respect to the same set of information.

The supplement included Bluebeam Revu use to integrate real time market data in the cost estimate, meaning material prices and labor rates were current. The firm adopted this dynamic approach to estimating cost, which helped it to prevent budget overruns due to old information, and enable the project team to more effectively make procurement and resource allocation decisions.

CONCLUSION

Modernising the cost estimation process requires the use of construction estimating software. These tools will automate manual tasks, integrate real time data, and improve collaboration between stakeholders resulting in more accurate, fast and transparent cost estimations. But interoperability issues, heavy up front costs, and the need for specialized training persist as barriers to general adoption.

But to get the whole payoff of construction estimating software, firms need to shoulder the cost of standardized data formats, interoperable software platforms, and intensive staff training programs. Though the implementation of the software has total initial costs, long term savings and project performance improvements justify the investment. With the construction industry becoming more open to digitalization, software will assume a more important role in cost estimation, allowing more accurate forecasting, better resource management, and better project performance.

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