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Cost Estimates Models (Simple and Integrated)

INTRODUCTION TO THE COST ESTIMATES MODELS

Both models are intended to illustrate the methodology for building up cost estimates that conform to ADB's requirements. Each model contains an Assumptions Tab, and Instructions on how it may be used. The users are requested to familiarize themselves with these instructions before embarking on any changes. These models are work-in-progress, and OSFM is continuously working to improve them. We welcome suggestions from users on improvements. OSFM is happy to provide more clarifications as required.

The modeler for individual projects will need to make a number of adjustments and change assumptions, delete or insert rows, etc.

Simple Model

This model will serve to illustrate the way in which the Base Cost estimates, Physical Contingencies, Price Contingencies, and Purchasing Power Parity adjustment for exchange rates, can be made.

Integrated Model

This model is a more sophisticated version, in which the methodology for computation of Financial Charges During Implementation (FCDI) is illustrated. It includes two Macros that need to be run to optimize the answer. This illustrates one way to break the circularity issue in computation of FCDI.

This model also provides more flexibility to the user, in allowing line-wise quarterly expenditure predictions, and preparation of all the PAM tables including Loan Allocation Table. Preferably, an adaptation of this model (suited to the project conditions) should be used in ADB projects, so that the complete cost estimate, comprising Base Cost, Contingencies, and FCDI are available in one single file. For further clarifications on the Model, as well as suggestions, please email tcontreras@adb.org