

Bilfinger Industrial Services Inc.



Bilfinger is a leading construction and maintenance provider in the United States, Europe and the Middle East. We aim to enhance the efficiency of assets, lower operational costs and help our customers achieve their sustainability goals. Our portfolio covers the entire value chain - from concept to construction, start-up to maintenance, reliability, and specialty services for industrial facilities.





Cracking the Cost Model Code

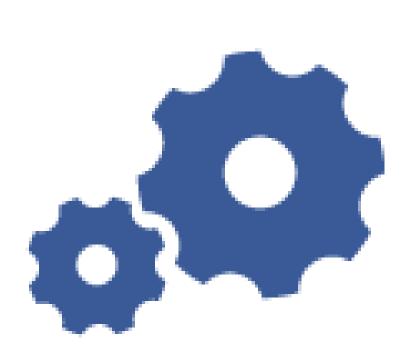
- We didn't have a tool that effectively captured pre-con costs
- So, we built a functional cost model using TVD principles
 - Capture costs through the project life cycle
 - Generate savings for the customer





Key Elements of Our Cost Model

- Conceptual Phase
 - Organize loosely defined scope
 - Capture assumptions & risks
 - Generate a total project target cost
- Validation Phase
 - Estimate continuously as an input to design
 - Monitor contingency balance
- Construction Phase
 - Track actual spending versus estimates
 - Integrate change order costs
 - Monitor contingency balance





Cost Model Example

Lets take a closer look at an actual cost model...

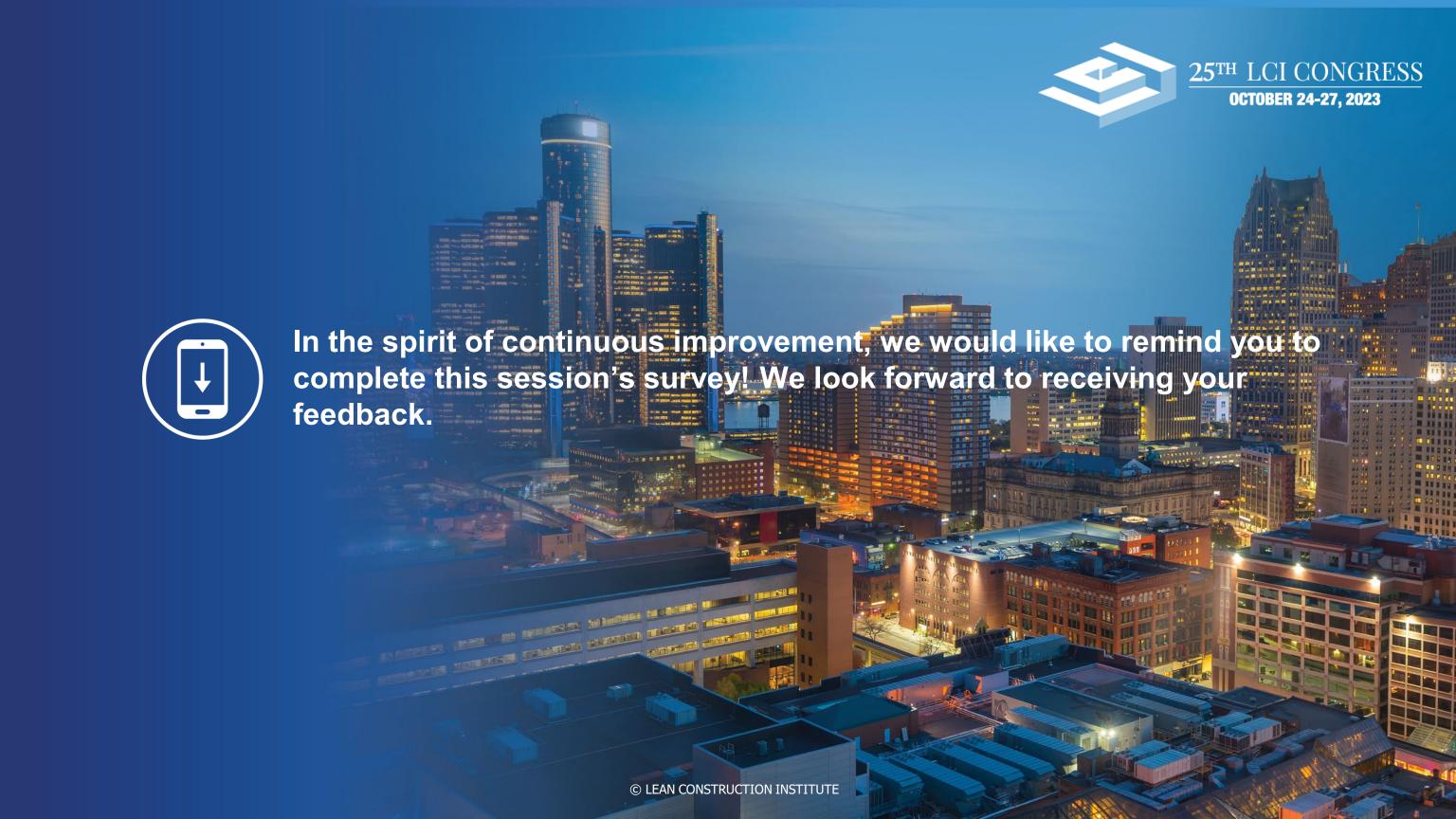
			EXAMPLE PROJECT												
OS#	WBS#	Status	Scope Title	EI#	Contractor	Funding Cost	+/- (vs. Fund)	Validation Cost	+/- (vs. Fund)	Target Cost	Total Value	Target + CO Costs	P&C	Predicted minus P&C	Predicted Cost
_	▼	_	•	_	_	₩	·	_	▼	*	Orders 🔻	_	~	•	~
	N/A		ENGINEERING			31,250	0	31,250	0	31,250	0	31,250	0	31,250	31,250
	GB0006.4071		CONST MANAGEMENT				0	18,920	0	18,920	0	18,920	0	18,920	18,920
	GB0006.4072		CAPITAL			442,813	-13870	428,943	-15230	427,583	7106	434,689	104,352	327,368	431,720
	Civil/Structural						-10290	318,888	-13145	316,033	7106	323,139	61,512	258,658	320,170
5		F	Structural Install	TBD	Contractor A	104,143	0	104,143	0	104,143	0	104,143	0	104,143	104,143
4		v	Structural Procurement	TBD	Contractor A	76,500	-3060	73,440	-3060	73,440	0	73,440	0	73,440	73,440
2	GB0006.407202	0	Excavations	5#1	Contractor B	70,565	-13040	57,525	-19820	50,745	0	50,745	15,780	34,965	50,745
3	GB0006.407204	т	Foundations	7#2	Contractor C	31,970	10215	42,185	14140	46,110	0	46,110	0	46,110	46,110
1	GB0006.407201	C	Pilings	6#4	Contractor D	46,000	-4405	41,595	-4405	41,595	7106	48,701	45,732	0	45,732
	Mechanical 90755							85,655	-3060	87,695	0	87,695	42,840	44,855	87,695
6		F	HVAC Install		Contractor E	44,855	0	44,855	0	44,855	0	44,855	0	44,855	44,855
7	GB0006.407203	O	HVAC Procurement	:	Contractor E	45,900	-5100	40,800	-3060	42,840	0	42,840	42,840	0	42,840

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How can you apply this tomorrow?

- Learn the TVD process
- Initiate a cost model (contact Sean for a template)
- Expect Changes Continuous Improvement



Contact Us

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