

Design Standards Letter

Letter Number: **G-1960-05**

Letter Date: **04/20/1960**

Effective Date: **04/20/1960**

Section/Plan No.: **None**

Subject: **Cost Analysis of Surveys and Design**

Body

TO ALL DISTRICT ENGINEERS AND URBAN ENGINEER:

Our General Letter No. 3, 1960, informed you that a cost analysis system would be set up at once to produce the actual cost of surveys and actual cost of design. This is to notify you that the system will be set up effective May 1, 1960, to cover Primary, Urban and Interstate Projects. The Supplementary System may be included later when the cost analysis is more nearly perfected.

It will be necessary that you immediately effect a system of recording in your district that will provide costs necessary to complete the cost forms which you will submit to this office monthly. These forms are being mailed to you under separate cover. They provide cost items for each project and it is our desire that you list the total cost figure for each item.

All charges incurred in the District must be reported by the District and you will use your best judgment as to which column an item should be charged, making sure that payroll item costs check with the total on the payroll. Later on, we hope to have a uniform system set up for reporting items.

If you have limits of roadway for which you have no project number, notify this office at once, and some form of identification number will be furnished. This should be done before incurring any costs.

In order to set up our ledgers, we will need the following information from you for each current project:

Project No.:

Route:

County:

Date Started:

Description of Location:

Length _____ Station _____ to Station _____
Estimated costs prior to May 1, 1960:

You will note that the last item above lists cost to be estimated. The estimated costs will be to your best judgment and you need to show only the total figure for each of the major items. In other words, we would like to have an estimated figure for Reconnaissance, a figure for Field Surveys, a figure for District Roadway Soundings, etc. It is possible that you will not be able to supply a total in each instance, but we want you to do the best you can, and this item need not be submitted at the same time you supply us with the early information to set up our ledger headings.

You will note on the form mailed to you, there is a column for Geology and District Material costs. Any work chargeable to projects here should be pro-rated and costs per project shown; the same holds true of Administration Salary Overhead. There is a heading showing Consulting Engineering Services which you will show only when engineering services are payrolled by your District.

Under the item of Aerial Survey you will list all work done by the Field Survey Party in preparation for the flight.

Certainly, it is to be understood that when a part of any cost is incurred in the District, and the remainder in the Main Office, the District should report its part and the Main Office costs will be added here.

We think the forms being mailed to you under separate cover will be more or less self-explanatory of what will be required. We realize the system to produce costs is far from perfection and no doubt this tentative setup will undergo many changes. Should we have omitted any items that you think should be included, we will appreciate your showing them on the form and advise us by letter of any suggestions you might have. We realize the difficulty that will be encountered in setting up the system.

You will continue to submit all former survey reports until we have had time to revise them. The revision of these forms will be discussed at a meeting that will be held in May.

As mentioned to you in our previous letter, the Cost Analysis work is to be performed by our own Surveys and Plans personnel, and you will want to designate someone in the lower salary bracket to be responsible for the job.

**C. C. Tevis
Engineer of Surveys and Plans**