

DI04006021: Estimation & Costing

Lecture 41: Procedure for Rate Analysis

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Procedure for Rate Analysis: Steps 1-3

- **Step 1: Determine the Unit and Quantity**

Decide the unit of measurement (e.g., $10m^3$ for earthwork or $1m^3$ for RCC). Choose a suitable standard quantity for calculation.

- **Step 2: Material Cost**

Calculate the exact quantities of various materials required. Multiply by current market rates (including transport/lead).

- **Step 3: Labor Cost**

Determine the number and categories of labor (Masons, Mazdoors, etc.) required based on standard 'Task Work'. Multiply by their daily wages.

Procedure for Rate Analysis: Steps 4-6

- **Step 4: Tools & Plants (T&P)**

Add a lumpsum or percentage (usually 1% to 2% of labor cost) for minor tools and plants.

- **Step 5: Water Charges**

Add 1% or 1.5% on the total cost of materials and labor for water required for construction and drinking.

- **Step 6: Contractor's Profit**

Add 10% on the total cost (Materials + Labor + T&P + Water) as contractor's profit. Divide the grand total by the standard quantity to get the rate per unit.

Flowchart of Rate Analysis

