



## Interview met Arcadis: Relying on data for cost management 3.0

Walter Fr  h   is senior cost consultant at Arcadis. He gives customers an insight into costs, risks and choices. He does this at many different levels: architectural, civil engineering, installation engineering, interior, terrain and maintenance. Although through his years of experience, Fr  h   often knows beforehand whether something can be done or not, he relies on construction cost data for his work. 'We call it cost management 3.0: based on data, we calculate whether something falls within a certain bandwidth. Nowadays, there is only half as much time to work on something and the information flow has become so big, that it is no longer possible for a human to process it. For instance, a project has to be completed within a week, while you would need three weeks to read all the paperwork. You have to participate actively in cost management 3.0, otherwise you will be too expensive and you will not have enough time. There is no added value in working everything out in detail on the bottom line.'

'A unique application of cost management 3.0 can be seen in our work for the municipality of The Hague. We check a significant number of the building requests that are received by the local authority. To do this, we have linked our system to the BDB database. This means that construction cost data is always up to date. Now we can financially validate a project in a fraction of the time. In principle, it makes no difference whether a project costs 50 thousand or 100 million euros. The report is ready within just one day. While it takes a contractor about six weeks to do, with about four men. Although it is of course just

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one project, it really consists of some 400 projects a year. These are very diverse: from a train station, to housebuilding, from city offices to a wind farm. It also includes existing buildings, which have been converted into another function. The BDB has cost indicators for everything.'

'We use a quick scan to demonstrate the issues for concern and why. If any objections are received, then the full estimate is still made. In the past years, we have been still been able to counter all objections. We have therefore invested more in the preliminary process, but in the long run it has cost the local authority less money and time. Our biggest asset is that we are able to validate it.'

'What BDB does very well, is that they do not follow all market fluctuations. They defined how to do the monitoring umpteen years ago, and they have managed to sustain that structurally. Once in a while they recalibrate their data. If you were to apply intermediate corrections, the figures would go awry. It is all about that continuous flow of reliable data. They also keep track of much more than just price changes and price levels in the market. They also include regulations and changes in standards in their construction cost data. So once you have drawn up a quotation, you no longer have to see if it corresponds with the regulations, because you know that the figures from BDB correspond with them and are therefore correct. For us, BDB stands for a reliable long-term vision. The data is clear: there is no noise.' •