

THREEFOLD DEVELOPMENT PARTNERS

CAPITAL • DEVELOPMENT • CONSTRUCTION

CHECKLIST

Construction Budget Warning-Signs Checklist

The signals that a construction budget is incomplete, optimistic or structured to change later — in the bid documents, in the numbers, and in how the work is being reported.

For: Owners comparing bids or watching a live budget

Decision it supports: Whether a budget or bid is telling you the truth about the cost of the work.

Aligned in purpose. Disciplined in execution. Built to endure.

Version 2026-09-18.1 · Published 2026-09-18 · Updated 2026-09-18

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CONTENTS**In the bid documents****Inside the numbers****During construction****Questions that expose an incomplete price****How to use this document**

Work through it with the record in front of you rather than from memory. Where an item cannot be evidenced, write down that it cannot, and the date you checked. A gap you have written down is manageable; a gap you have assumed away is not.

IN THE BID DOCUMENTS

- ☐ Scope described by reference to "industry standard" rather than to drawings and specifications.
- ☐ Unclear exclusions, or exclusions listed only in a cover letter.
- ☐ Allowances used where a real scope could have been priced.
- ☐ No schedule attached, or a schedule with no durations behind the dates.
- ☐ Qualifications that quietly shift risk back to the owner.

INSIDE THE NUMBERS

- ☐ A total with no quantities behind it.
- ☐ General conditions or general requirements that do not match the stated duration.
- ☐ No or nominal contingency at an early design stage.
- ☐ Unit rates inconsistent with the same trade elsewhere in the same bid.
- ☐ A price materially below the others with no explained reason.
- ☐ Escalation excluded on a project whose procurement is months away.

DURING CONSTRUCTION

- ☐ Cost reports comparing to the original estimate rather than to committed values.
- ☐ Change orders described but not priced, or priced but not approved before work.
- ☐ Contingency drawn down without a stated reason per release.
- ☐ Pay applications that run ahead of installed work.
- ☐ Schedule updates that keep the end date while losing float silently.
- ☐ Verbal direction on site that never appears in writing.

QUESTIONS THAT EXPOSE AN INCOMPLETE PRICE

- ☐ Which drawings and revisions did you price, by number and date?
- ☐ What is excluded, and where is that stated in your submission?
- ☐ What did you assume about site conditions, access and working hours?
- ☐ How long is this price held, and what happens after that?

- ☐ Which scopes are allowances, and what would a real price require?
- ☐ Who is doing the work: your crews or subcontractors, and which ones are committed?

IMPORTANT

General working material, not advice for a specific project. Nothing in this document is an offer of financing or securities, a commitment of funds, an appraisal, or a legal, tax or engineering opinion. Verify every item against your own counsel, licensed design professionals and the authority having jurisdiction.

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Version 2026-09-18.1. Reissued when the content changes.