Project Costing

1 **Estimating** the resources required to perform the project

? Dealing with **price escalation**

$$\text{Cost}_{\text{now}} = \text{Cost}_{\text{past}} \cdot \left(\sum_{i=1}^{n} \omega_i \, \frac{\text{EI}_{i\,\text{now}}}{\text{EI}_{i\,\text{past}}} \right)$$

where

$\omega_i \;\longrightarrow\;$ weighing coefficients so that: $\;\sum_{i=1}^{n} \omega_i = 1$

$\text{EI}_{i \cdot t} \;\longrightarrow\;$ appropriate economical indices