

# Analysis of Key Points and Measures of Construction Cost Budget Control

**Siqi Song**

Dalian University of Finance and Economics Dalian Liaoning 116000

---

**Abstract:** This paper discusses the importance of budget control and measures to improve the quality of budget preparation from the perspective of the importance of budget control, control points and control countermeasures of construction project cost, and closely analyzes the quality of budget results and the importance of budget control links, and gives some countermeasures that can make relevant departments and enterprises pay more attention to budget control, in order to achieve the goal of reducing cost and saving investment through project cost control.

**Keywords:** Construction engineering; Cost budget control; Key points; Measures

---

Throughout the construction process, construction cost control is always a key issue in construction cost control. The cost budget not only explains the project composition from the perspective of financial funds, but also plays a key role in the whole process control of the project. The construction budget is a refinement of the design estimate. In terms of funding, it is a key step from “blueprint” to “landing. The construction budget is based on the budget estimate, its budget amount is controlled within the budget estimate, after a series of operations, will become a fixed asset, with retrospective characteristics. In this way, the initial estimated control requirements can be achieved, so that the project cost control becomes a complete value chain.

## 1. Key Points of Construction Project Cost Budget Control

### 1.1 Accept entrustment to form preparation or review team

Commissioned by the government financial department or social enterprise, as well as by the enterprise budget department or other departments of the enterprise, these can be called “entrustment”<sup>[1]</sup>. At this stage, you should first have a general understanding of the project to be done, and determine the person in charge of the project based on the existing information. The engineering manager organizes various professional budget staff to form a preparation team to formulate preparation and review principles, clarify preparation time, preparation considerations, etc.

### 1.2 Data preparation and data review

During this period, the most important work is to review the design drawings, interface with the design department, write work records of the problems in the drawings, and communicate and deal with the design department. It is also necessary to have a detailed understanding of the client’s intention. For example, in the process of formulating the list control price, the client is required to provide bidding documents and information, and explain the preliminary construction plan, construction period, whether there are materials for Party A, the method of calculating the cost of construction measures and how to calculate other engineering costs. The review of drawings can also prompt the design unit to show active cooperation with the project budget, and further refine and improve the construction drawings in the budget stage, thus reducing changes and visas in the construction stage.

### 1.3 The impact of field trips on budgeting

When preparing the budget, many people will ignore the site survey. When preparing the budget, field survey is a very critical part, especially for some specific industries or projects, it is necessary to have an accurate understanding of the field, otherwise it is likely to lead to a great deviation in cost. The design focuses on the design effect of permanent buildings, while the description of the building scheme is often relatively simple. If there is no detailed investigation of the site for some specific projects, it will be due to improper consideration of the budget, resulting in insufficient cost estimation or uneven distribution, thus bringing risks to the later

management of the project. At the time of bidding, as long as the project is carefully investigated, a variety of quotation strategies in the project can be used reasonably.

#### **1.4 In the preparation of the budget to consider several issues**

In the process of preparation, attention should be paid to the scientific nature of the preparation method, the accuracy of the preparation basis, and the professional quality of the preparation staff. Its scientific approach is: first of all, in the project cost, the cost should be controlled in a reasonable area, the project cost should be consistent with the market price, and the impact of human factors to a minimum. Secondly, the budget should be formulated in accordance with the relevant policies and specifications of the central and local governments, and the standard drawings should be used for marking on the drawings, with a detailed understanding<sup>[2]</sup>. In the budget, policies and regulations on manpower, material resources, and machinery must be adjusted in due course. Finally, for the quality of the preparer, in addition to having good professional and technical capabilities, it is also necessary to guide the work of the preparer from a fair and just perspective to ensure that the budget cost is true and effective.

## **2. Construction Project Cost Budget Control Measures**

### **2.1 Focus on project cost control**

In order to achieve scientific and reasonable project cost control, the project cost budget plays an important role in the overall cost control of the project. In order to do a good job in the project cost budget, the following work should be done: (1) the budget staff should go deep into the project site to investigate, and then combine the characteristics of the project construction to carry out a comprehensive budget. First of all, do a good job in the preliminary work, collect relevant engineering survey reports, topographic survey maps, architectural design drawings, etc.; secondly, conduct a detailed investigation of the site, and combine with the actual situation of the site, analyze and design the construction plan of the site; and calculate the cost of materials required for each construction project, the labor volume of construction workers and the salary level. (2) Be familiar with architectural drawings, accurately estimate the quantity, and be able to use the price flexibly. First of all, we should carefully study the design plan, carefully record it, and deeply understand the designer's intention. Secondly, prepare an accurate itemized budget, calculate the exact quantity, and skillfully use the unit price to avoid mistakes such as underrecording, overrecording and misrecording. (3) Adjust the price difference in a timely manner according to market conditions. Due to the wide variety of materials required for construction projects, the cost of purchasing construction materials is a large part of the cost, which requires the project cost writer to know the types, performance, specifications and prices of equipment materials like the back of his hand.

### **2.2 Strengthen the concept of cost budget control, build a sound monitoring system**

To enhance the concept of cost budget control, construction enterprises should pay attention to the project cost control training of employees, from the perspective of budget accounting and control, the cost budget system for detailed management and implementation, so as to deepen the overall understanding of the project cost. Cost budget is related to the project cost of an important link, with the project manager and each worker are inextricably linked. Therefore, on the basis of mastering all the information, the detailed planning scheme of the minimum cost of the project is formulated. Through training, enhance the management of cost control awareness, mobilize all able to mobilize resources. In the construction process, every detail and link is fully controlled to reduce the overall cost loss and scrap rate of the project. Employees and construction workers can also be made aware of their roles and responsibilities in saving costs through effective visas, supervision, pre-settlement, etc.

### **2.3 Strengthen the budget management of construction projects and increase investment in construction projects**

The construction unit should carry out effective management, pay attention to the investment control at this stage, and ensure the completion of the project investment objectives under the premise of ensuring the progress and quality of the project<sup>[3]</sup>. In the process of project implementation, it is a key link to control the project cost and control the project cost. And actively respond to the contract, economy, technology and other levels, do a good job of on-site visa work, calculate the price and cost of materials in the original contract, and carry out strict settlement, and arrange special personnel to supervise, so as to ensure that all kinds of expenses occur on time and prevent overpayment in advance. Once the budget is exceeded, it should be reported to the relevant departments immediately, with a view to formulating corresponding measures to minimize the loss of project cost. In the bidding process of construction projects, the preparation of bidding documents is an important work. Usually, in construction projects, the preparation of bidding documents involved mainly includes two aspects, one is bidding for materials and equipment, and the other is bidding for construction operations. In the bidding stage, cost control requires the owner to have a comprehensive understanding of the specific

procedures and contents of construction bidding, standardize the basic process of bidding work, and construct a comprehensive binding clause, so that every link behavior can be controlled within the scope of the specification in the whole process from project construction to project contract signing.

## **2.4 Improve the overall quality of project cost and budget management team**

Construction project cost budget is a combination of knowledge, professionalism and policy work, is an interdisciplinary comprehensive work, the quality of the staff is very high. As a cost budget manager, in addition to having the relevant professional knowledge of engineering budget, you must also have a deep understanding of the basic knowledge of design drawings, construction technology, engineering basic structure, material and equipment procurement and investment control. In order to better control the budget, in the budget work, the project cost budget management personnel should study and train regularly, so as to enhance their sense of responsibility and professional ability. Employees should take saving investment and continuously improving economic benefits as the first priority to maximize the interests of investors. To continuously improve the overall quality of project cost budget management personnel, not only need to have more professional knowledge and professional theory, but also need to have strong practical work ability and practical work experience, and have a deep understanding of relevant laws, policies, regulations and other aspects.

### **Conclusion:**

Construction project cost budget plays an important role in project management, and it is a key component in the whole process of the project. In practice, we must make a scientific and rational estimate of the project cost, keep the cost budget at a reasonable level, and actively put forward relevant coping strategies, prepare for the project, and take corresponding actions in time when problems arise. In this way, the project risk and loss can be reduced to a minimum, and the construction project can be carried out in an orderly manner, so as to achieve effective control of the project cost.

### **References:**

- [1] Gao Qiuju. Key points of budget control of construction cost [J]. Urban Construction Theory Research (Electronic Edition),2023(20):42-44.
- [2] Zeng Yumei. Key Points of Construction Cost Budget Control [J]. Popular Standardization, 2023(13):100-102.
- [3] Men Hongshun. New green building project cost budget and cost control [J]. China Bidding, 2023(07):87-88 97.

### **About the author:**

Siqi Song (born on October 09, 2004) gender: female nationality: Han, The highest degree (degree): junior college, title: none, research direction: project cost.