

Construction and Renovation Project Support Services Cost

Beginning late in fiscal year 2002 a cost factor was incorporated into the budget for all construction and renovation projects being planned for educational, general, and auxiliary facilities on the Campus that were to be accomplished using external contractors. The schools and/or departments responsible for these projects should have been made aware of this cost, as the budgets for the effected projects were being developed and reviewed. The purpose of this cost is to cover the actual support services provided for such projects by the personnel and other resources employed within the Contracted Services Unit of Facilities Management. The support services include:

- Program Planning Coordination
- Project Planning and Budgeting
- Design and Construction Contracting
- Project Coordination and Management Oversight
- Contract Administration
- Issue Identification and Resolution
- Project Closeout
- Project Documents Management and Retention

The cost factor has been calculated based on the budgeted cost (i.e. salaries, benefits, supplies, materials, equipment, software, etc) of the personnel and other resources involved directly in the delivery of these services, as well as the Contracted Services Unit's pro-rata share of the actual indirect or overhead expenses involved in the operations and management of the Physical Plant Department as a whole. The cost factor is reflected in each of the project budgets to which it has been applied as a percentage (1.25%) of total project cost, inclusive of both design and construction. This percentage is based on the ratio of the Contracted Services Unit's budgeted direct and indirect expenses to the estimated annual dollar volume of total design and construction expenditures that will be incurred and paid out across all construction and renovation projects.

Effective July 1, 2002, the cost factor is applied to all construction and renovation accounts for the projects for which it has been budgeted. These charges are applied as a percentage (1.25%) of any design and/or construction services invoices approved and paid within a given month. By the end of January 2003, costs will be entered to all such accounts retroactively for any design and/or construction services invoices that have been approved and paid since the beginning of fiscal year 2003. From this time forward, these costs will be applied on a monthly basis.

January 27, 2003