

## Appendix 7.4b - General rules for the preparation of a Project Budget:

**1. Project Budgets will be prepared by the FP&C Project Manager using the format shown in the attached examples.**

### **2. Header Block:**

- This block contains basic project information, including Project Name, MAU, Campus, Project Number, Preparer, Date, etc.

### **3. Professional Services:**

- This block contains all pre-design, design, permitting, construction administration, special inspection, testing, and other professional service costs.
- As a general rule of thumb, the total professional services cost should be around 10-15% of the construction cost, varying with the technical complexity of the building, location of the site, and the anticipated level of construction administrative, commissioning services, etc. Renovations will generally have higher costs

### **4. Construction:**

- This block includes the General Contractor Cost, Other related construction costs (IT, Voice/data, etc.), construction contingency, art, interim space costs, etc.
- As a general rule of thumb:
  - o The following values can be used for very rough cost comparison:
    - New Construction \$500/gsf
    - Renovation \$250/gsf
    - Tenant Build out \$125/gsf
  - o The total construction cost should be around 70% of the total project budget. Smaller projects may be higher.
  - o The Construction Contingency should be around 10% of the construction cost. Renovations may be 12- 15%
  - o Artwork should be up to 1 % of the construction cost.
- Include the estimated Construction Cost per GSF for the structure in the appropriate block.

### **5. Equipment and Furnishings:**

- This block includes equipment, furnishings, and move-in costs. These costs are generally associated with new construction, but may be included in renovations.
- IT Costs should be reviewed with UAA IT Services
- As a general rule of thumb, these costs usually represent 3-6% of the construction cost, depending upon the complexity of the project.

### **6. Administrative Costs:**

- This block contains advance planning, project management, misc. expenses and other related administrative
- These costs represent the current administrative recharge rate of the project cost. Consult with the Fiscal Manager for the current recharge rate.