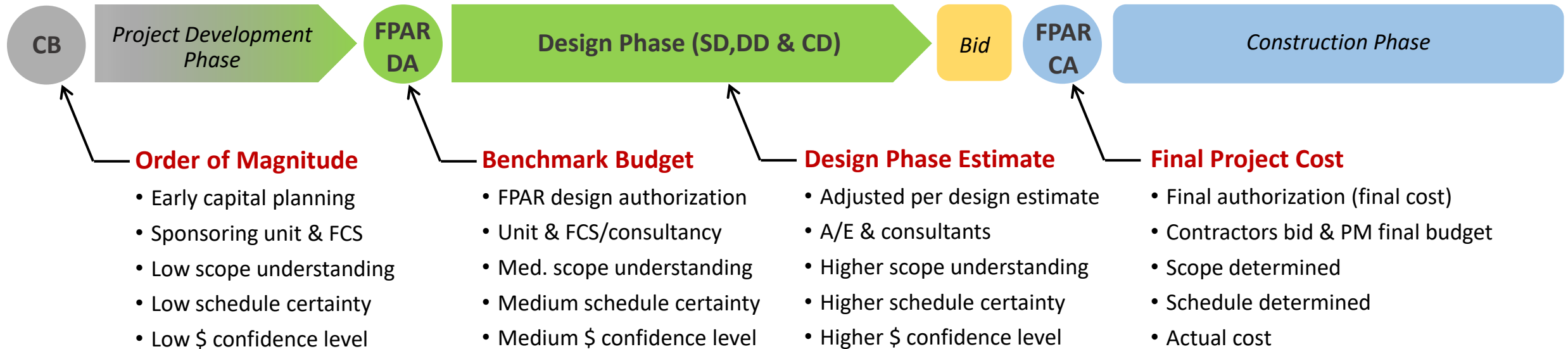


Project Cost Development Framework

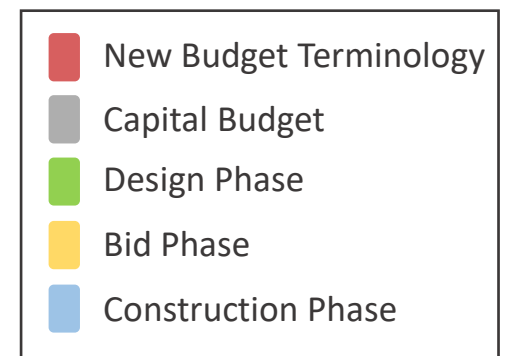


CB: Capital Budget Submission. Need is established but facility solution may not yet be understood.

Project Development Phase: Time period between capital budget submission and design authorization FPAR where scope schedule and budget is better defined by Units and FCS through benchmark analysis and consultancy.

FPAR DA: Facilities Project Approval Request – Design Authorization

FPAR CA: Facilities Project Approval Request – Construction Authorization



Project Cost Development Framework

	Order of Magnitude Budget	Benchmark Budget	Design Phase Estimate (Typically Project > \$10M, B&P)	Final Project Cost
Use	Early Capital Planning	First Project Approval Request (FPAR Design Authorization)	Adjust Benchmark Budget or subsequent estimate based on design effort	Final authorization
Definition	<ul style="list-style-type: none"> A preliminary budget using historical cost by facility type Based on a reasonably defined scope without a specific facility solution 	Opinion of internal subject matter experts informed by scope, intended schedule, and project limit lines but not yet fully informed by confirmed scope and schedule and existing conditions; Risk section of FPAR used to discuss qualification of the #	Cost estimate from AE team based on design phase documents (schematic, design development)	Authorized construction FPAR value based on a contractors bid.
When Applied	At the initial project development stage – the need is established but the facility solution may not yet be understood	FPAR for design authorization	FPAR for design (revised) authorization, presented with Approval of Concept, Approval of Design, or as otherwise required during design phase	FPAR construction authorization
Developed by	In partnership between sponsoring unit and FCS for unit cost data	<ul style="list-style-type: none"> In partnership between sponsoring unit and FCS to respond to project parameters Limited scope feasibility, condition assessment or similar studies may inform 	Consultants	Based on contractor’s bid and project managers final project budget
Project Parameter Understanding	Very Low – May be need without identified solution	Medium, preferred solution is identified but limited information may exist about existing conditions	Increasing during design phase	Fixed cost through construction of project scope. Includes 10% owner’s contingency
Basis	Subject matter experts on staff	Subject matter experts on staff and/or consultancy	External expertise	Actual bid cost
Confidence Level	Often Low	Medium	High, but may miss future market conditions for projects with a long design phase	Very high
Rounding Guidelines	< \$1M: nearest \$50k \$1-2M: nearest \$100k \$2-10M: nearest \$500k >\$10M: nearest \$1M	< \$2M: nearest \$50k \$2-10M: nearest \$100k >\$10M: nearest \$500k	< \$2M: nearest \$10k \$2-10M: nearest \$50k >\$10M: nearest \$100k	NA
Escalation	Considered in projecting project start date, but not updated each year while in capital plan	Considers start point and completion date	<ul style="list-style-type: none"> Included in professional estimating Informed by project schedule 	NA