How Can a Building or Renovation Cost that MUCH!
Ownership

- Buildings with a Presence
Ownership

- Construct Buildings that will last 100 years.
  - Durable Exterior & Interior Materials
  - Design Standards to Minimize Operating Cost
  - Constructed using Life Cycle Cost Analysis not First Cost

Cost of Ownership:

- First Costs: 5%-20%
- Operating Cost: 80%-95%
Life Cycle Cost

Preventative Maintenance

Service Cost

Operating Costs

Initial Cost

Disposal Costs

Life Cycle Cost Analysis
Complexity

University buildings tend to be very complex with multiple use groups within the buildings, which results in complex building systems.
Flexibility

- The buildings need to be flexible to change with technology.
Site

- Construction is expected to cause minimal disruption to the campus.
- Limited Access to Site.
- Maintain campus access around the construction site.
- Limit noise
Site

- Maintain Access for:
  - Emergency Vehicles (Fire Truck Access)
  - Pedestrian Access
  - Vehicle Access
Codes & Standards

- Complex building require conformance with many codes and standards.
Insurance and Bonds

- Labor and Material Payment Bond and Performance Bond are required by State Statute on projects over $50,000.
- Insurance requirements exceed what is typically required in the private sector.
  - Commercial General Liability
  - Auto Liability
  - Workers Compensation
  - Builders Risk
  - Professional Liability
Prevailing Wage

- Does not add cost to public construction
- Complex buildings require trained, skilled workers to minimize delays from accidents and poor workmanship.
How You Can Minimize Cost

- Prior to securing funding for a project, determine the program needs of the department.
  - Planning & Program Study (PPS)
    - Justifies the need for improved or expanded facilities.
    - Aligns project with the Strategic Mission and Physical Master Plan.
    - PPS identifies the scope, costs and schedule.
    - Develops a strategy for implementing recommended solution.
How You Can Minimize Cost

- Identify Stakeholders
  - Stakeholders understand and are committed to the goals.
  - The Chair of the steering committee has authority to make decisions.
  - Strong consistent leadership is important.
How You Can Minimize Cost

- Make decisions early. The later decisions are made in the design and construction process the more costly they are.
How You Can Minimize Cost

➢ Set realistic schedules. Accelerated schedules are expensive and jeopardize quality.
As the 3 little pigs taught us as children, not all buildings are constructed equally!