
P&CM FUNDING OPTION



Wednesday, August 10, 2016

1 INTRODUCTION

The Planning and Construction Management Program provides all of the services and supporting services for the efficient and successful construction project. Our services include:

- Expert Project Management
- LEED certified staff
- Registered Architects
- Construction Contracting Expertise
- Alternate Construction Methods Expertise
- Contract Management

Currently, the funding to operate the program comes in two ways. One is a project assessment for the support functions of the program and from PM hours billed to the project or Agency.

2 ISSUES WITH CURRENT BILLABLE HOURS FUNDING METHOD

Project Management Staff have to track the hours that they spend on each project. At the end of the month a staff person pulls all of the billable hours for all of the PM's. They check the hours and project coding, correct as necessary and finally create a bill. This bill goes to the DAS central accounting who verify, check and enter it into SFMA and the bill is sent to the agency or project for payment.

This process takes time away from managing projects and creates additional accounting needs in our program and the receiving agency.

3 JUSTIFICATION

3.1 BUSINESS NEED

Identify a simpler more efficient method of funding the program while still only using the projects as the funding source. Eliminate the billable hours funding method and move to a straight assessment method on projects.

3.2 BUSINESS IMPACT

This will free up time for the project managers, reduce accounting needs for DAS and the other Agencies. The funds will still come from the projects that the program takes on and will not impact the General Fund any differently than the current funding methods.

3.3 HIGH-LEVEL REQUIREMENTS

No change to the impact for the General Fund.

4 ASSUMPTIONS, CONSTRAINTS AND RISKS

Funding will come from the projects only.

Project amount developed from anticipated projects for the 17-19 biennium based on past agency projects, anticipated agency projects, DAS projects requested for 17-19, and bonding requested.

4.1 RISKS

Possibility that not all of the funding will be approved by the Legislature.

5 PROPOSAL

Use an assessment model only to fund the program. Stop using a 6% assessment for the administrative costs and an hourly billing to fund the program. Instead use a 10% assessment for each project. This assessment would cover everything related to a project, including:

- Adding additional PM
- Litigation
- Contract Management
- Invoice Management
- Energy Rebates
- All Project Accounting
- Other Project Contracts

There would only be one bill at the beginning of the project, no more monthly billing.

6 DATA

17-19 Cost recovery option of project assessment

CC	\$	23,190,719	
CI	\$	4,566,094	
TOTAL CPF	\$	27,756,813	
Other Agency Work	\$	15,000,000	
Other Maintenance work	\$	3,500,000	
total anticipated work	\$	46,256,813	
Q bond PSOB	\$	21,146,000	
Q bond New Building Planning	\$	48,000,000	
total estimate projects for 17-19	\$	67,402,813	
\$ 5,044,000 with LD positions			0.074834
\$ 4,291,000 without 4 LD's			0.092765
\$ 5,044,000 with LD's and no Q bond projects			0.109043