

By Amanda Parolise

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Building Program Annual Operating Budget For A New Commercial Office Building Shell & Core Building Project

Approximately 15% to 20% of the cost of a building is first cost, and 80% or more of the cost to own a building is in the operation of the building over its life. The following is a sample of what the HVAC annual operating budget for a new commercial office building could look like at the conceptual phase of a project. It is important to note that quite often, commercial building owners will contract the services of a property manager to manage the building. These property managers will most likely subcontract the operation and maintenance services of a mechanical-electrical (M-E) outsource firm to provide the following.

ADMINISTRATIVE		
SALARIES, WAGES & BENEFITS		
• M-E Outsource		\$288,000
• Employee Salaries & Wages	(0) Manager (0) Supervisor (1) Technician	\$ 0
• Taxes, Healthcare, Etc.		\$ 0
• Retirement & Benefits		\$ 0
SALARIES, WAGES & BENEFITS		
• Project Management		\$ 0
• Vendor Salaries & Wages		\$ 0
• Supplies		\$ 0
SERVICE CONTRACTS		
• Refrigeration Equipment	(1) Air-Cooled Chiller twice a year	\$ 1,800
• Heating Equipment	(1) Condensing Boiler twice a year	\$ 1,200
• Filters	By outsource vendor	\$ 0
• Emergency Generator	By outsource vendor monthly	\$ 0
CONSULTANTS		
• CAD	None	\$ 0
• Energy	None	\$ 0
• Information Technology	(1) On-Call + Annual visit	\$ 0
INFORMATION TECHNOLOGY		
• Computerized Maintenance Management Software	None	\$ 0
• Handheld Devices	(1) Cell Phone + Monthly fee	\$ 0
EXPENSES		
• Education	(2) HVAC courses	\$ 0
• Conferences	(1) NCAL in June	\$ 0
• Office Supplies	\$250.00 per month	\$ 0
UTILITIES		
• Electricity		\$ 54,000
• Gas		\$ 24,000
• Oil		\$ 0
• Propane		\$ 0
• District/Campus Steam		\$ 0
• District/Campus Chilled Water		\$ 0
• District/Campus Hot Water		\$ 0
DOCUMENTATION		
• Printing		\$ 0
PROJECT		
• Maintenance Repair	By outsource vendor	\$ 0
• In-House HVAC Modifications	None	\$ 0
• Capital Projects	None	\$ 0
• Energy Initiatives	None	\$ 0
TOTAL ANNUAL OPERATING COST		\$ 369,000
TOTAL ANNUAL OPERATING COST/Sq Ft (Does not include tenant cost for utilities)		\$ 2.05