

By Amanda Parolise

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Building Program Annual Operating Budget For A Corporate Central Plant Expansion Project

For a building program to be successful and sustainable, it is imperative that the program include an operating budget as well as a construction budget. Fifteen to 20% of the cost of a building is first cost and the remaining 80% or more of the cost to own a building is in the O&M over the building's lifetime. The following is a sample of what the HVAC annual operating budget could look like at the conceptual phase of an infrastructure expansion project for a corporate central chiller plant expansion where 24-7-365 reliability is essential to continuous operation.

| ADMINISTRATIVE | | | | |
|---|---|----------------|-----------------------|------------|
| SALARIES, WAGES & BENEFITS | | | | |
| • Employee salaries & wages | (1) Manager | (1) Supervisor | (8) Technician | \$ 530,000 |
| • Taxes, health care, etc. | | | | \$ 132,000 |
| • Retirement & benefits | | | | \$ 30,000 |
| OUTSOURCED O&M | | | | |
| • Project management | | | | \$ 0 |
| • Vendor salaries & wages | | | | \$ 0 |
| • Supplies | | | | \$ 1,200 |
| SERVICE CONTRACTS | | | | |
| • Refrigeration equipment | Annually | | | \$ 230,000 |
| • Heating equipment | None | | | \$ 0 |
| • Filters | None | | | \$ 0 |
| • Emergency generator | By building owner service contractor | | | \$ 0 |
| CONSULTANTS | | | | |
| • CAD | None | | | \$ 0 |
| • Energy | Quarterly | | | \$ 40,000 |
| • Information technology | None | | | \$ 0 |
| INFORMATION TECHNOLOGY | | | | |
| • Computerized maintenance management software (CMMS) | Complete in-house | | | \$ 0 |
| • Handheld devices | (10) Cell phone = monthly fee | | | \$ 16,800 |
| EXPENSES | | | | |
| • Education | (4) HVAC - HVAC courses | | | \$ 1,000 |
| • Conferences | (1) IDEA Conference - October | | | \$ 1,200 |
| • Office supplies | \$250.00 per month | | | \$ 3,000 |
| UTILITIES | | | | |
| • Electricity | | | | \$ 9,000 |
| • Gas | | | | \$ 0 |
| • Oil | | | | \$ 0 |
| • Propane | | | | \$ 0 |
| DOCUMENTATION | | | | |
| • Printing | Not applicable for this project | | | \$ 0 |
| PROJECT | | | | |
| • Maintenance repair | By in-house planning & construction staff | | | \$ 0 |
| • In-house HVAC modifications | None | | | \$ 0 |
| • Capital projects | None | | | \$ 0 |
| • Energy initiatives | None | | | \$ 0 |
| TOTAL ANNUAL OPERATING COST | | | \$ 994,200 | |
| TOTAL ANNUAL OPERATING COST/Sq Ft | | | Not applicable | |