

By Amanda Parolise

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Building Program Annual Operating Budget For A Pharmaceutical Building Addition 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 that other 80% or more of the cost is O&M over the building's lifespan. The following is a sample of what the HVAC annual operating budget for a pharmaceutical building warehouse addition, where 24-7 reliability is essential to continuous operation, could look like at the conceptual phase of a renovation project.

ADMINISTRATIVE				
SALARIES, WAGES & BENEFITS				
• Employee salaries & wages	(0) Manager	(1) Supervisor	(4) Technician	\$ 342,000
• Taxes, health care, etc.				\$ 85,000
• Retirement & benefits				\$ 10,000
OUTSOURCED O&M				
• Project management				\$ 0
• Vendor salaries & wages				\$ 0
• Supplies				\$ 1,200
SERVICE CONTRACTS				
• Refrigeration equipment	None			\$ 0
• Heating equipment	None			\$ 0
• Filters	None			\$ 0
• Emergency generator	By building owner service contractor			\$ 0
CONSULTANTS				
• CAD	None			\$ 0
• Energy	None			\$ 0
• Information technology	None			\$ 0
INFORMATION TECHNOLOGY				
• Computerized maintenance management software (CMMS)	None			\$ 0
• Handheld devices	(5) Cell phone = monthly fee			\$ 4,000
EXPENSES				
• Education	(2) HVAC-pharmaceutical courses			\$ 500
• Conferences	(1) Critical facilities summit-October			\$ 1,200
• Office supplies	\$250.00 per month			\$ 3,000
UTILITIES				
• Electricity				\$ 3,000
• Gas				\$ 0
• Oil				\$ 0
• Propane				\$ 0
DOCUMENTATION				
• Printing	Not applicable for this project			\$ 0
PROJECT				
• Maintenance repair	By in-house maintenance staff			\$ 0
• In-House HVAC modifications	None			\$ 0
• Capital projects	None			\$ 0
• Energy initiatives	None			\$ 0
TOTAL ANNUAL OPERATING COST			\$ 745,700	
TOTAL ANNUAL OPERATING COST/Sq Ft			\$ 18.65	