

BUDGET BASICS

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PRELIMINARY BUDGETS

- Start to sketch
 - Start with the available funding and define scope
 - Start with scope and seek adequate funding
- The form
 - The funding budget includes all the funding sources
 - Use a budget checklist to make sure nothing gets left out
 - One in excel spreadsheet format is available at http://www.colbitech.com/casbo_handouts.html
[Budget Categories handout 05.xls](#)

BUDGET CATEGORIES

- A = Site Acquisition
- B = Planning & Design
- C = Construction
- D = Testing (Construction Phase)
- E = Inspection
- F = Furniture & Equipment
- G = Contingency

These letters refer to the SAB 506 A&B categories and later in the process will facilitate coordination with the architect's budgets.

SITE ACQUISITION (A)

- Determine the likely cost of land
 - Size
 - DTSC
 - Relocation
- Funding 50/50 on highest appraised value
- Deduct it from the funding available

CONSTRUCTION (C)

- 70% of the remaining budget
 - This is the number you tell!***
- Types of Costs
 - Hard
 - Soft
 - Land
- Erosion of hard costs
 - PM is a planning cost
 - CM is a construction cost
 - Labor Compliance is a hard cost

PLANNING (B)

- Architecture
 - Modernizations 10-13%
 - New Construction 7-10%
- Other planning costs
 - Site surveys and studies
- An increase in a construction related cost may mean a cost increase elsewhere as well

TESTING (D) AND INSPECTION (E)

- Testing
 - Based on potential site issues

- Inspection
 - Based on the rates in your area applied to the duration of your project – a change in duration will result in additional cost

FURNITURE & EQUIP (F)

- Standard by grade level

- Only give the principal 80% of his budget – release the rest after the buildings are occupied.

CONTINGENCY (G)

- Layered contingencies
- New construction 10%
- Modernization 20%
 - Use of phasing

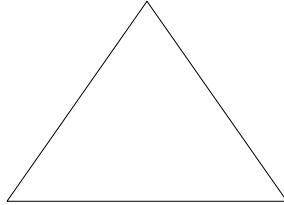
MANAGING BUDGET DEVELOPMENT

- Planning
 - Keep refining as land and project size are specified
- Schematic
 - Refine with each architect estimate
- Construction
 - CM/GC do the construction detail

THE TRIANGLE EFFECT

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Time



Quality