

**GUIDELINES:**

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**PURPOSE:**

The purpose of these guidelines is to outline the administration of project management fees for capital major and minor projects for the Operations & Facilities Management Division (OFMD), Washington University School of Medicine. Please note, there are ongoing efforts to automate the project delivery process. New guidelines will be issued when that automation occurs.

**DEFINITIONS:**

- A. Budget Adjustment:** The Budget Adjustment (BA) sets up the approved budget amount in the construction project account in the Administrative Information Systems (AIS) to allow expenditures on the project to begin.
- B. Project Funding:** Funding is the movement of cash by a Journal (JR) in AIS to transfer the approved funding from the Dean or a department to the construction project reserve.
- C. Project Management Fee:** The WUSM project management fee is a percentage of the initial project budget and is a sliding fee scale based on the project budget (referenced below) for all construction and renovation projects. These fees are assessed by OFMD for project management services.
- D. Total Project Budget:** The total project budget is the approved estimated cost of the project before construction begins.

**PROCESS:****OFMD Projects**

- A. Upon the project's approval and notice to proceed, the project management fee is administered either at the beginning of the project or periodically over the estimated life of the construction work, if the project schedule exceeds one year.
- B. A project management fee is administered through a Journal process in AIS in accordance with the sliding fee scale listed below. For specific information related to project management fees, please contact the Project Manager.

Project \$ Amount Range	PM Fee Rate
\$1,000 to \$100,000	8.00% of the project budget
\$100,001 to \$300,000	6.25% of the project budget
\$300,001 to \$2,000,000	5.00% of the project budget
\$2,000,001 to \$5,000,000	4.00% of the project budget
\$5,000,001 to \$8,000,000	3.50% of the project budget
\$8,000,001 to \$10,000,000	2.90% of the project budget
\$10,000,001 to \$15,000,000	2.75% of the project budget
\$15,000,001 to \$60,000,000	2.50% of the project budget
Infrastructure	5.00% of the project budget

- C. Billing of the fees will occur based upon the budgeted (base) fee for the project.
- D. Any Committee approved increases to the project budget during the life of the project will result in a change to the overall fee and to the amount billed applicable to the add to the project.
- E. For all other OFMD fees, please visit <https://facilities.med.wustl.edu/rates/>.