

Update to Capital Budget Instructions – Section 5.1 Administrative Cost Standards

The last bullet under “Staff costs that are not eligible for inclusion in a capital project should be included in the agency’s operating budget” is revised to read:

- For projects in excess of \$1 million (\$2 million for higher education), the project administration fee will be based on the A/E Basic Service Fee Schedule B, minus 4 percent and multiplied by the total project costs. Access the A/E fee schedule at <http://www.ofm.wa.gov/budget/instructions/capital.asp>. The total project costs = acquisition costs + consultant services + construction contracts (including the MACC (maximum cost of construction) escalated to the midpoint of construction, excluding Washington state sales tax (WSST)) + equipment (excluding WSST) + artwork + other costs. This rate is intended to be a ceiling, not a target. Thus, agencies must evaluate their project administration requirements for each project when requesting these fees. Please note that the 2 percent increase allowed on the A/E fee on remodels does not apply to the project management fee calculation.