
PROJECT FEES POLICY

Subject: Project Fees
Approval: Executive Staff
Code Section/Reference: ORC 123.21
Owner: Operations-Finance

Policy Number: OP-FI-08
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APPLIES TO

State agency and higher education construction program.

The Commission agency/higher education construction program is supported by funding received from fees for project management and related services provided by the Commission to our state agency/higher education clients. Some of the related services include use of the consultant list and the Commission serving as the criteria architect on specific projects. The amount of the fees has changed over the years to reflect the current economic environment and to reflect the construction needs of our agency/higher education clients. Commission fees were most recently updated in July of 2016 as evidenced by the current list of fees that is attached to this policy and notice of such fees is provided in a letter sent by the Executive Director to the state agency/higher education clients, also attached.

I. OFCC Project Fees – July 2016

- A. Commission Administered Project Fee: Sliding scale calculated on total project costs (design, construction and contingency):
 - First \$4,000,000 @ 3%
 - Plus \$4,000,001 - \$20,000,000 @ 1%
 - Plus \$20,000,001 and above @ .75%
- B. Local Administration Fee:
 - 1. 1% of total project cost
- C. Consultant List Fee:
 - 1. 10% markup on locally administered projects
- D. Energy Capital Projects:
 - 1. Renovation projects: 9% for design, 2% for project management
 - 2. Energy audits: 2%

E. Energy Performance Projects:

1. 9% of contract amount

F. Criteria Architect

1. 1½% - 3% of construction cost

April 1, 2016

OFCC Agency and Higher Education Customers:

The OFCC is pleased to announce a cost-neutral simplification to Agency and Higher Education construction administration fees, effective July 1, 2016. The new fee will be effective for all construction projects that have not executed a professional services contract to begin the design phase.

The fee is simplified by charging the administrative fee on total project costs rather than construction costs only. In addition, the percentage charged is being reduced to 3% on the first \$4 million in project costs. All other tiers of the fee structure will remain unchanged and will also be calculated on total project costs.

While the base of the fee has increased (total project costs rather than construction costs), we have offset this by reducing the first-tier rate from 3.25% to 3%. This change allows for consistency across each construction delivery method.

Thank you for your partnership with us in these efforts. We would be glad to hear any comments or questions you have.

Sincerely,

David Williamson,
Executive Director