

Murray State University
Facilities Project Management Fee
Effective May 1, 2019

The Department of Facilities Management provides project management services to all projects that require costs estimates, design work and either in-house or contracted services to complete. A project set-up fee and project management fee will be used as a mechanism to offset general fund budget for existing deferred maintenance. These fees do not accrue to the Department of Facilities Management but rather the general fund for deferred maintenance purposes only and serve as a reimbursement for in-house project management services.

A PM fee will be assessed based on the tiers below:

Project costs <\$1,000,000	Fee = 4.5%
Project costs \$1,000,000 - \$5,000,000	Fee= 2%
Project costs over \$5,000,000	Fee=1%

Examples:

1. Project costing \$75,000 Fee = \$ 3,375
2. Project costing \$1,200,000 Fee = \$49,000
(*\$1,000,000 at 4.5% = \$45,000*
\$200,000 at 2% = \$4,000)
3. Project costing \$5,200,000 Fee = \$127,000
(*\$1,000,000 at 4.5% = \$45,000*
\$4,000,000 at 2% = \$80,000
\$200,000 at 1% = \$2,000)

The PM fee will be applied to all projects regardless of whether the work is completed with internal labor or contract labor. This fee will be estimated at the time a project's total scope is determined and appropriate approvals to begin the project have been received. Funding for the PM fee estimate will be secured before beginning the project, with any excess or shortfall at the time a final reconciliation of the project is prepared and it is closed. Any scope adjustments required throughout the project will also be subject the PM fee.

A \$1,000 fee will be assessed to each project for the creation of the project and development of estimates of the costs for proposed work. This fee will only be charged for projects expecting to exceed \$10,000 in total costs. This fee will be funded at the time the project is created from the project funding source(s). This fee is non-refundable; however, it will apply to the project management (PM) fee amount with any excess refunded to the project funding source(s) at the time the project is completed. If a project is cancelled, the \$1,000 is forfeited by the funding unit.

The fee will be assessed directly to the project on a periodic basis throughout the fiscal year.

The Department of Facilities Management and Department of Accounting and Financial Services will jointly be responsible for the administration of both fees.