

## Capital Cost Data Explanation

The Office of Construction & Facilities Management; Cost Estimating & A/E Evaluations Services (00CFM1B) has assembled current construction cost data for various types of functional building types for each VISN location across the country, and they may be found at:

<http://www.va.gov/facmgt/cost-estimating/vamcpricing.asp>

The types of Facilities and functions covered by CFM's database are:

- Medical Centers
- Ambulatory Care Facilities
- Clinical Improvement Facilities
- Bed Towers
- Domiciliaries
- Stand Alone Out-Patient Clinics
- Acute Psychiatric
- Mental Health
- Poly Trauma
- Spinal Cord Injury Units
- Nursing Home Care Units (NHCU)
- Blind Rehabilitation Units
- Research – Heavy; Wet Labs and Animals
- Surgery and PACU
- Research - Normal; Mixed Heavy and Offices
- Administration Space Housed in Main Hospital
- Parking Garages
- Surface Parking - Priced per Parking Space
- Warehouses with Offices

The data includes new construction, and three levels of renovation. The unit costs shown are representative of a general contractor's low bid as of the date noted for each data set in the DC market place; they have been adjusted for each local by use of the BOECKH Index. These costs are for the "Bricks and Mortar", including all Executive Directives, however, and do not include the associated site work elements to make the building functional, any movable equipment, relocation or impact costs, or any other items that used to be considered activation costs. CFM has taken great care in selecting recent projects that would be representative of how VA delivers healthcare and should be valid as Planning Initiatives Solutions for construction based scenarios.

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The three levels of renovation are benchmarked to industry common milestones and are defined below:

- Total Renovation - all finishes and backbone systems (mechanical, electrical, etc.) are removed, space is taken down to the structural elements and exterior skin of the building, in essence, only the shell of the building remains.
- Medium Renovation - roughly two thirds (67%) of the finishes and systems are demolished and replaced, this is only appropriate for space whose function is not changing significantly, i.e. Medical Administration Service being renovated for Director's Suite – similar space requirements – not MAS being converted to Research Laboratories.
- Light Renovation - removes and replaces approximately thirty percent (30%) of the finishes and systems. Again, the unit costs shown for each VAMC do not include any items that were once part of the activation process, such as movable equipment, ice machines, office equipment, etc., or moving costs, and the like, only construction costs as would be received from a general contractor. Through the CEA, the other mandatory VA markups, such as, construction contingencies, design fees, construction management, etc... are accounted for appropriately.

CFM has also developed Demolition Costs and "Operating Costs". The Demolition Costs are broken down into two sections, the actual demolition cost to raze a facility and the cost to haul and dump. It was assumed the buildings were steel or concrete and mid-rise or higher. The reasoning for splitting the costs was that in certain instances the rubble could be re-used on site as structural fill or for leveling of the site where the demolished facility once stood (backfill). The haul and dump costs were generated using 20 miles haul distance each way and a typical dump fee. CFM has further defined other major project elements; those are Roof Replacement, Modernization of Rest Rooms, and Fire Alarms. Roof Replacement has been further defined in the following (4) four categories EDPM, Built-Up, Shingles, and Metal. Rest Rooms are considered a total renovation project and are categorized as such, Fire Alarms are broken down into (2) two and those consist of new and total renovation. CFM contacted numerous private sector construction firms and local government entities to verify the costs shown in the database. With input from various VHA offices, CFM calculated operating costs for various levels of occupancy, fully utilized, and mothballed–adjacent, and mothballed–standalone. These unit costs were developed to calculate accrued savings from planning initiatives that dramatically changed the function of specified space.

A new table has been added to account for yearly escalation to project costs. This table should be considered when planning for projects that may start in future budget years or extend out for more than (2) two years time. When using this table or rates care needs to be given to the compounding of them, compounding needs to be to the mid-point of construction. The compounding of these rates will reflect in a truer budget need.