



Your Guide TO DOING BUSINESS WITH



West Virginia
Department of Transportation

Brought to You Through a
WVDOT Partnership With
CEI DBE
Supportive
Services

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WVU BOG APPROVES THREE CONSTRUCTION PROJECTS FOR \$176 MILLION

MORGANTOWN, W.Va. — In a special meeting Wednesday morning, the West Virginia University Board of Governors approved three major projects.

Phase III & IV renovation of the Milan Puskar Center at a cost of \$41 million, Hodges Hall renovation for \$35 million and the construction of the new Reynolds Hall, at the site of Stansbury Hall for \$100 million.

The Milan Puskar Center, home of the WVU football team, will have renovations that include expanding the home team locker room, player lounge, equipment room and recovery suite. The project will also expand the Hall of Traditions and open it to the public year round, moving it to the front of the building. The coaches offices will be switched to the stadium end of the 38-year-old building.

WVU Athletic Director Shane Lyons told the board the areas targeted haven't been upgraded for about 10 years. He said they need to keep pace with other Big 12 athletic programs.

"We are putting ourselves in a position in an athletic department to have continued success and I firmly believe part of that continued success is having facilities that we can recruit student athletes to," Lyons said.

The renovation of the 94,000 square foot Hodges Hall on the downtown campus in Morgantown will include contemporary classrooms, computer classrooms,

seminar and meeting rooms, updated office spaces and improved technology. The project includes a 210-seat testing center and will be the exclusive testing location for the university. The renovation includes 24 classrooms totaling 954 seats.

The Eberly College of Arts and Sciences will occupy the upper floors of Hodges Hall including Women and Gender Studies, Native American Studies and World Languages and Literature.

"Create new instructional space, new classroom space that is modern, very relevant to the way students learn today and is highly flexible," WVU Provost Maryanne Reed said.

Hodges Hall hasn't seen any major work since it opened in 1954, WVU officials said.

The \$100 million Reynolds Hall project, at the site of Stansbury Hall, is scheduled to begin this fall and be complete by April 2022. The project has been designed upgrade a section of the Morgantown waterfront.

The projects will be financed with \$100 million in new debt, the balance is expected to be financed through donations over the next three to five years.

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About The WVDOT

The goal of the DBE Supportive Services Program is to increase the number of DBEs participating on WVDOT contracts and facilitate the opportunity for DBEs to obtain contracts. The services are designed to:

- Assist established construction firms to move them from bidding as a subcontractor to bidding as a Prime Contractor to produce sound bids.
- Provide access to training increases DBE expertise in handling of daily business operations.



About The Program

The Construction Estimating Institute (CEI) works with WVDOT as the statewide provider of the federally funded Disadvantaged Business Enterprises (DBE) Supportive Services Program. We want to increase the number of certified DBEs participating in highway and bridge construction, as well as assist DBEs in growing and eventually becoming self-sufficient. Additionally, CEI provides supportive services by assisting prime contractors and consultants with identifying DBEs for subcontracting opportunities on priority projects.

CAPITALIZATION OF OVERHEAD IN CONSTRUCTION

The average business entrepreneur will define costs of construction as land, materials, labor, subcontractors and equipment used to construct the improvements. In reality, there is much more. Accountants, bankers and governmental compliance agencies commonly refer to the above costs as 'Direct' costs. Basically, they are the costs that comprise the physical structure. There are also costs that are not a part of the real estate but are required in order to construct the improvements. These costs are intangible in nature and are necessary to get the job done. They include:

- Other Direct Costs of Construction
 1. Architectural/Engineering
 2. Closing Costs upon Purchase of the Land
 3. Interest on Loans/Bonds
 4. Taxes (Real Estate, Grantor's, Title Fees Etc.)
 5. Association Dues Throughout Construction
 6. Site Utilities (Water, Electricity, Sewage)
 7. Environmental Protection (Drainage, Port-A-John, Fencing Etc.)
 8. Security
 9. Debris Removal
- Management (Project Manager, Site Foreman, Outside Consultants)
- Transportation/Lodging/Per Diem

- Communications
- Insurance (Builder's Risk, Worker's Compensation, Equipment, Bonding Etc.)
- Supplies

The above costs have various names as a group including: Indirect Costs, Project Burden and Job Operating Costs. The key to the above is that none of the costs are physical in nature and you can't see them once the project is completed. Yet, without them the contractor can't realistically build the project. It's these costs that are classified as construction overhead.

All of the above costs relate to construction of a project and have nothing to do with the office expenses nor ownership of the company. Think of the physical separation of the project from the main office. Those costs to run the main office are commonly called 'Expenses' in accounting and are understood to be general or administrative (G&A). They are reported in the expenses section of the income statement (profit and loss statement). The above overhead costs are reported in the Costs of Construction section of that financial report.

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Supportive Services Offered:

- Estimating Training
- Building Capacity
- Mobilization Financing
- Bonding Assistance
- Marketing Plan Development
- Creating a Business Plan
- Building a Website
- Plan Reading



**Within the past 3 months,
CEI assisted DBEs
in obtaining**

**\$6 MILLION
IN BONDING!!**

*Contact CEI for Bonding,
Financing or Insurance needs!*



(800) 423-7058



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CEI is an educational organization providing the highest quality construction training in the industry. Over 100,000 owners, estimators, project managers, field supervisors, office support staff, foremen, laborers, and key management personnel have attended courses that are offered nationwide. The courses provide students with construction skills training and the critical information needed to be effective within their companies and organizations.