

Construction Management Proposal & Budget Package

Custom single-detached residence — elevator-equipped, owner-occupied

ISSUED TO	The Owner — private client (identity withheld)
PROJECT	Custom single-detached residence owner-occupied established residential neighbourhood, Ottawa, Ontario (address withheld)
PREPARED BY	The Construction Manager Development Project Manager
DATE STATUS VERSION	Anonymised sample Preliminary — for client discussion v1.0

This is an anonymised sample derived from a real preliminary construction-management proposal. All client, address, consultant, and supplier identifiers have been removed under the Personal Information Protection and Electronic Documents Act (S.C. 2000, c.5); dollar figures are preserved. It is not a tender, not a fixed-price contract, and not for distribution. Final pricing is subject to trade tendering, municipal permit comments, structural and mechanical coordination, geotechnical findings, owner finish selections, and market conditions at procurement.

EXECUTIVE SUMMARY

The construction manager proposes to deliver the residence for the owner on a transparent, fixed-fee basis. The engagement separates two cost streams: firm hard construction costs that the construction manager procures and manages on the owner's behalf, and owner-directed selections — kitchen, bathrooms, fixtures, flooring, lighting, closets, and appliances — where the owner controls the specification.

Construction funds are paid by the owner directly to each trade and supplier through a managed accounts-payable platform integrated with QuickBooks Online. Construction money does not flow through the construction manager. The owner's only payable to the construction manager is the monthly construction-management fee, billed on percentage of construction complete.

Habitable gross building area is 4,635 sq. ft. Schedule: 12-14 months from foundation to occupancy. Estimate classification: AACE International RP 18R-97 Class 3 (-10/-20% to +10/+30%).

COST STREAM	AMOUNT (CAD)	BASIS
Hard construction costs — base (firm scope, AACE Class 3)	\$1,437,590	Owner pays trades direct via the AP platform
Construction-management fee — lump sum	\$230,014.40	16% of base hard costs

HARD COSTS — BASE CONSTRUCTION BUDGET \$1,437,590 + HST

Bottom-up from the stamped permit set; priced against the Altus Group Canadian Cost Guide 2024/25 (Ottawa CMA), BTY Q4-2025, and confirmed supplier pricing. Owner-directed selections excluded (see page 3).

DIV	DESCRIPTION	\$ CAD	DIV	DESCRIPTION	\$ CAD
A	Site work, demolition, temporary works	\$34,000	H	Mechanical (HVAC, radiant, gas, controls)	\$98,260
B	Excavation, grading, earthworks	\$42,500	I	Plumbing rough-in, service, DHW	\$54,100
C	Foundation, concrete, waterproofing	\$127,120	J	Electrical and low-voltage	\$51,900
D	Structural framing (lumber, LVL, steel, trusses)	\$167,700	K	Elevator — supply and TSSA install	\$67,500
E	Roofing — sloped, flat, rooftop patio	\$88,190	L	Interior finishes (drywall, doors, trim, paint, stairs)	\$135,500
F	Exterior envelope and cladding	\$129,270	M	Site completion and landscaping	\$53,000
G	Windows and exterior doors	\$159,050	N	General conditions, 12-14-month build	\$129,500
			O	General construction allowance (unallocated — AACE Class 3)	\$100,000

Confirmed inputs: elevator \$58,000; trusses + joists \$43,000; front-facade stone \$9/sf supply; windows via a long-standing supplier (direct account). AACE Class 3 band on the base: \$1,150,072 – \$1,868,867. The base carries a \$100,000 unallocated general-construction allowance (Division O), an AACE Class 3 provision for scope not yet itemised pending trade tendering; it is drawn against itemised trades as scope firms up.

SELECTIONS BUDGET — OWNER-DIRECTED SPEC (VARIABLE)

Owner-spec items. Low end is the premium-custom allowance carried in the budget workbook; high end is a defensible ceiling reflecting the most expensive specification within the design intent. Selections above the ceiling are administered as written change orders.

SELECTION	LOW	HIGH	SPEC RANGE / NOTES
Kitchen cabinetry & countertops	\$65,000	\$110,000	Custom flat-panel + stone counter; high = full slab natural stone, integrated panel-ready appliance face.
Bathroom millwork, tile, vanities (5 BA)	\$55,000	\$95,000	Premium custom 5-bath; high = honed natural-stone slabs, custom glass enclosures, designer vanities.
Plumbing fixtures and fittings	\$25,000	\$45,000	Mid-premium base; high = top-tier fittings, freestanding tubs, multi-jet showers.
Engineered hardwood flooring	\$50,985	\$80,000	Premium engineered base (\$11/sf); high = wide-plank European white oak, herringbone or chevron.
Interior lighting fixtures	\$16,000	\$32,000	LED recessed + decorative base; high = designer pendants, statement chandeliers, integrated linear.
Closet systems and built-ins	\$18,000	\$35,000	Custom closets + feature built-ins; high = full walk-in millwork packages, integrated lighting.
Appliance package (cooking, refrigeration, dishwasher)	\$22,000	\$55,000	Premium tier base; high = full luxury suite, integrated columns, built-in coffee.
TOTAL — SELECTIONS RANGE	\$251,985	\$452,000	Low carried in base case; high brackets the owner-driven ceiling.

\$/sf impact on habitable GBA (4,635 sf): low-end selections add \$54/sf; high-end add \$98/sf. Firm base hard cost is \$310/sf; total construction therefore ranges \$364-\$408/sf, bracketing the Altus 2024/25 Ottawa premium-custom benchmark of \$395/sf.

FEE STRUCTURE & LUMP SUM

The construction manager charges 16% of approved base hard cost. The structure weights the fee toward items the construction manager directly manages, procures, and supervises. Selections are owner-spec items where the role is procurement administration and installation oversight only.

COMPONENT	LOW END (BASE CASE)	HIGH END (+10% COST VARIANCE)
Base hard costs × 16%	\$1,437,590 × 16% = \$230,014.40	\$1,581,349 × 16% = \$253,015.84
CONSTRUCTION-MANAGEMENT FEE (LUMP SUM)	\$230,014.40	\$253,015.84

Lump-sum commitment: \$230,014.40. Final fee reconciled at substantial completion to actual approved hard costs and selections. A 10% owner-held construction contingency is carried in the detailed budget workbook; in this proposal it is folded into the AACE band, the selections range, and the change-order process.

PAYMENT FLOW — OWNER DIRECT-PAY

Trade and supplier invoicing is administered through an accounts-payable platform integrated with QuickBooks Online. Construction money is paid by the owner directly to each vendor — the construction manager does not receive, hold, or disburse construction funds. The owner's only direct payment to the construction manager is the monthly management fee.

- 1 The trade or supplier delivers work or product and submits an invoice to the construction manager.
- 2 The construction manager reviews against contracted scope, verifies completion, and enters the approved invoice into the AP system. Approved invoices sync to QuickBooks Online (cost booked on the owner project ledger) and to the payment rail.
- 3 The owner is granted a platform login at project mobilisation and sees every approved invoice with full vendor, scope, and supporting documentation.
- 4 The owner reviews the invoice and authorises payment from the owner's bank account. Funds move directly from the owner's bank to the vendor's bank.
- 5 The construction manager invoices its monthly management fee separately, billed on percentage of construction complete, through the same rail; the owner pays the construction manager directly.
- 6 A monthly cost report reconciles disbursements, percent complete, fee earned to date, and cost-to-complete forecast against the approved budget.

Owner benefits: full audit trail; no comingling of funds; owner controls the timing of every payment; bank-statement-level evidence for owner records, lender, and tax preparer.

SCOPE BOUNDARIES — INCLUDES / EXCLUDES / ASSUMES

THE FEE INCLUDES	EXCLUDED — OWNER RESPONSIBILITY	KEY ASSUMPTIONS
<p>Pre-construction: document review, value engineering, procurement strategy, schedule baseline, subcontractor pre-qualification, permit liaison.</p> <p>Procurement & tendering: trade RFPs, bid levelling, written award memos, subcontract execution.</p> <p>Construction administration: RFI / submittal review, schedule, monthly cost report, change orders, cost-to-complete.</p> <p>Site coordination: allocated supervisor, trade scheduling, quality-control inspection, OBC / OHSA site safety.</p> <p>Inspections, occupancy, closeout: municipal inspections, TSSA elevator certification, occupancy permit, deficiencies, warranty turnover, 30/60-day post-occupancy walks.</p> <p>AP-system administration: invoice review, vendor onboarding, monthly owner reporting, project-ledger maintenance.</p>	<p>Trade and supplier costs (paid direct via the AP platform).</p> <p>Soft costs: architecture, structural, MEP, geotechnical, survey, BCIN, owner legal.</p> <p>Municipal permits and levies: building, plumbing, mechanical, demolition, road occupancy, development charges, parkland cash-in-lieu, education development charge.</p> <p>Utility connection fees and refundable deposits.</p> <p>HST 13% on services and on taxable trade invoices — owner-occupied custom: no input-tax-credit recovery; Ontario New Housing Rebate (\$24k max) confirmed at substantial completion.</p> <p>Owner-directed scope additions after contract execution — written change orders.</p> <p>Unknown environmental / hazmat remediation.</p> <p>Owner financing, owner property/title insurance, Tarion (N/A for owner-occupied owner-build).</p>	<p>Owner-occupied custom single-detached residence.</p> <p>Schedule baseline 12-14 months foundation to occupancy; re-baselined at permit issuance.</p> <p>Geotechnical investigation commissioned by the owner before foundation procurement; Ottawa clay assumed.</p> <p>Cladding takeoffs (stone, panel, stucco) are budget assumptions pending an architect quantity-surveyor takeoff.</p> <p>Window count 42 units against 49 schedule callouts; verify with the architect and supplier before procurement.</p> <p>The fee mechanic is bespoke and will be drafted into a definitive contract agreement.</p>

TOP RISKS & MITIGATIONS

RISK	LIKELIHOOD × IMPACT	MITIGATION
Trade tender pricing exceeds benchmarks by >10%	Medium × Material	AACE Class 3 band absorbs +10/+30%; high-end fee caps at +10% cost variance; change-order process for further variance.
Geotechnical reveals unsuitable bearing or shoring need	Low-Medium × Material	Geotechnical engagement before foundation; shoring allowance carried separately; change order if triggered.
Owner selections drift above the high-end ceiling	Medium × Bounded	Selections range explicit on page 3; written change order required before procuring over-ceiling spec.
Long-lead items (windows, elevator, steel) miss schedule	Medium × Schedule	Procurement triggered at permit submission; weekly procurement cadence.

SELF-CRITIQUE — REVIEWER GUIDANCE

Per the firm's document standard, this section names where the headline numbers are soft and where a reviewer should apply pressure.

- **Judgement calls, not data:** the selection high-end ceilings are calibrated to Ottawa premium-custom market knowledge, not to a quoted spec. Each high end is defensible but not contracted; the owner can drive the final number anywhere within the stated range, and the construction manager absorbs no risk on the underlying material cost.
- **Unallocated allowance:** the base hard cost carries a \$100,000 unallocated general-construction allowance (Division O), an AACE Class 3 provision. It is the single largest soft figure in the base and should be itemised against trades as scope firms up at tender; until then it is a placeholder, not a priced scope.
- **Assumptions whose failure shifts the headline by >5%:** (a) the +10% high-end cost-variance assumption — if actual hard costs come in 20%+ above base, the high-end fee no longer caps owner exposure on the fee; (b) cladding takeoff assumptions drive about \$70k of envelope cost — a +25% takeoff variance moves hard costs by about \$18k (~1.3%); (c) window count of 42 against 49 schedule callouts — if the true count is 49, hard costs increase about \$22k (~1.5%).
- **Per-sf framing:** the firm base alone (\$310/sf) sits below the \$395/sf Ottawa premium-custom benchmark because owner selections are excluded from it; the all-in \$364-\$408/sf is the figure to compare against the benchmark.

Non-binding preliminary proposal. Not an offer capable of acceptance, not a tender, not a contract. The fee mechanic, scope, exclusions, and confirmed inputs herein form the basis on which a definitive cost-plus / construction-management agreement may be negotiated. No work commences and no fee is invoiced until a definitive contract is executed in writing.

Prepared by: the Construction Manager — Development Project Manager. Reviewed by: the Managing Partner. This is an anonymised Lumenalis Consulting Ltd. sample deliverable.