

# HOW NEW YORK ENGINEERS PRICES OUR SERVICES



**NEWYORK** ENGINEERS

# ABOUT THE AUTHOR



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Michael Tobias, PE, LEED AP, CEM, is Founder and Principal of New York Engineers. He is a graduate of Georgia Tech with a degree in Mechanical Engineering. He is a member of the United States Green Building Council and is a strong proponent of sustainable design. Recent projects include La Cite Development, PepsiCo, and work with Bronx Pro Realty.

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# INTRODUCTION

At New York Engineers, we design the MEP system to minimize construction cost, speed agency approvals, and smooth the construction phase. Our engineers design with construction cost minimization throughout the project. We show more on the drawings, such as bottom of duct heights, to ensure there are no hits between trades.

We seamlessly bid our design to certified NY Engineers contractors for you which ensures no construction cost escalation in the construction phase. Quality is rigorously upheld by our by design review process. We are able to deliver all of this 50% faster than others due to our efficient process.

Projects are priced using 3 methods. Engineering hours spent on the project is our actual cost; this is the ultimate way to price the project. The other 2 methods are not tied to our cost; they are simply rules of thumb for what the hourly estimates typically come out to.



# METHOD 1: HOURLY ESTIMATE

Projects are custom priced based on an hourly estimate of time required to complete the project. Our pricing includes everything needed to produce an approved set of drawings. Our work isn't finished until all the construction approvals are in place.

This includes Landlord Review, Department of Buildings, Fire Department, and Utility Connections such as Con Ed and National Grid. These hourly estimates are back-checked by the actual data of hundreds of completed similar New York Engineers projects.

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# METHOD 2: PRICE PER SQUARE FOOT

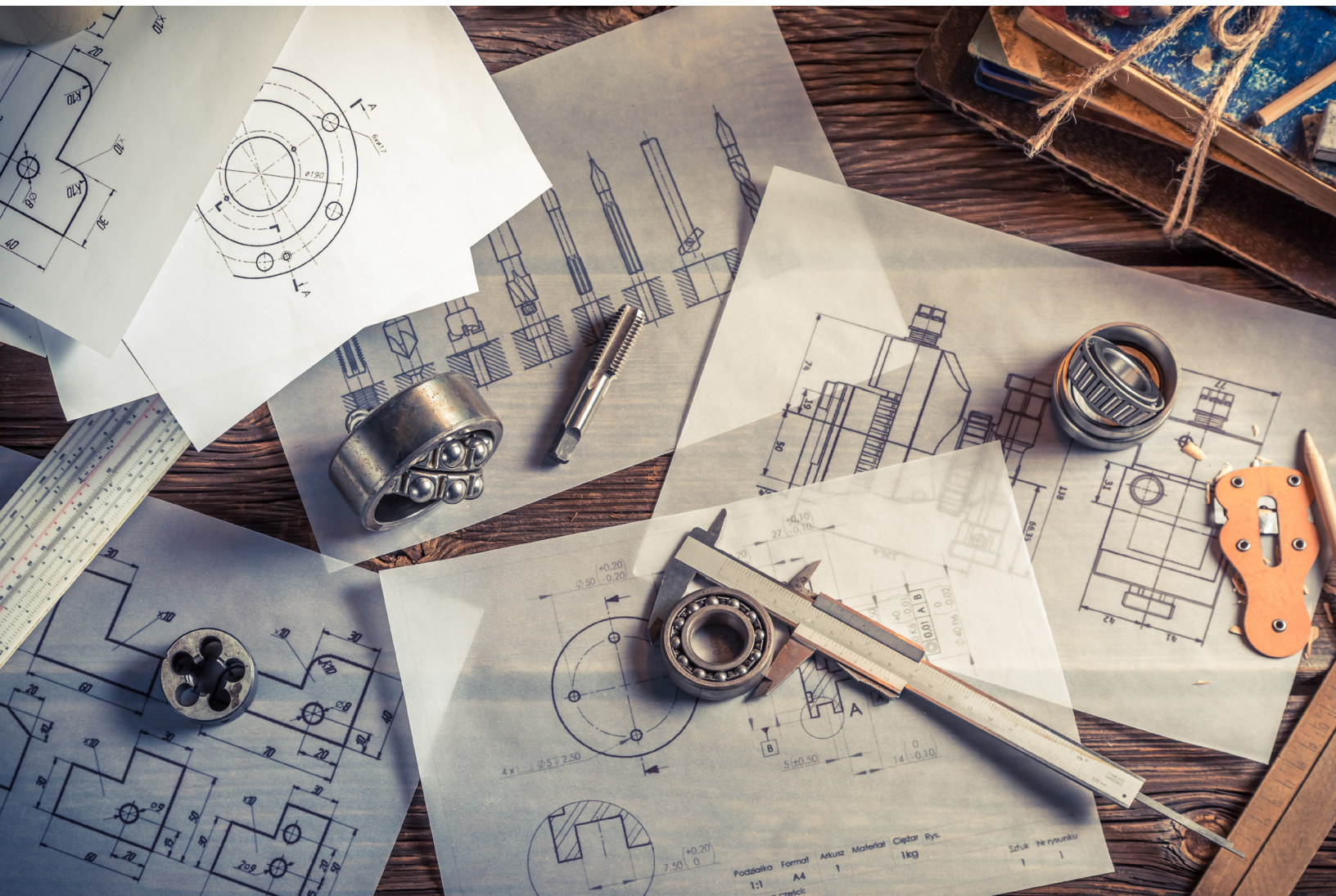
The price per square foot decreases as the size increases. This is due to the fixed cost of preparing a code compliant design regardless of size and understanding the overall system. As size increases, these fixed costs represent a smaller portion of the overall fee.

There also tends to be more repetition of similar systems as size increases; these can be designed faster, at a lower fee. As project complexity increases, so will the \$/ft<sup>2</sup>. The different market sectors below have varying degrees of complexity which vary the \$/ft<sup>2</sup> fee.

	10,000 ft <sup>2</sup>	50,000 ft <sup>2</sup>	100,000 ft <sup>2</sup>	200,000 ft <sup>2</sup>
<b>Office</b>	\$2.50/ft <sup>2</sup>	\$1.50/ft <sup>2</sup>	\$1.00/ft <sup>2</sup>	\$0.90/ft <sup>2</sup>
<b>Residential</b>	\$3.25/ft <sup>2</sup>	\$2.00/ft <sup>2</sup>	\$1.50/ft <sup>2</sup>	\$1.30/ft <sup>2</sup>
<b>Education</b>	\$3.50/ft <sup>2</sup>	\$2.25/ft <sup>2</sup>	\$1.75/ft <sup>2</sup>	\$1.50/ft <sup>2</sup>
<b>Retail</b>	\$3.00/ft <sup>2</sup>	\$1.90/ft <sup>2</sup>	\$1.40/ft <sup>2</sup>	\$1.20/ft <sup>2</sup>
<b>Restaurant</b>	\$4.00/ft <sup>2</sup>	\$2.90/ft <sup>2</sup>	n/a	n/a
<b>Healthcare</b>	\$5.50/ft <sup>2</sup>	\$4.50/ft <sup>2</sup>	\$4.00/ft <sup>2</sup>	\$3.80/ft <sup>2</sup>
<b>Manufacturing</b>	\$3.00/ft <sup>2</sup>	\$2.50/ft <sup>2</sup>	\$2.00/ft <sup>2</sup>	\$1.50/ft <sup>2</sup>

# METHOD 3: PERCENT OF THE CONSTRUCTION COST

The percentage applies only to the construction cost of what is designed. On a typical project, the MEP construction cost is approximately 33% of the overall construction cost of the project. Therefore, when the building costs \$6M to build, about \$2M is MEP construction cost.



The percentage is applied to the \$2M MEP construction cost. This is the method most public agencies use. The official fee schedule for DASNY is shown below.

## DASNY Term Contract

Approved Construction Budget	Consultant Fee
<= \$100,000	17.00% x Approved Construction Budget
\$100,001 to \$250,000	\$17,000 + 16.0% of the amount over \$100,000
\$250,001 to \$500,000	\$41,000 + 13.0% of the amount over \$250,000
\$500,001 to \$1,000,000	\$73,500 + 10.5% of the amount over \$500,000
\$1,000,001 to \$3,000,000	\$126,000 + 8.1% of the amount over \$1,000,000
\$3,000,001 to \$5,000,000	\$288,000 + 7.0% of the amount over \$3,000,000
\$5,000,001 to \$7,500,000	\$428,000 + 6.0% of the amount over \$5,000,000
\$7,500,000 to \$10,000,000	\$578,000 + 5.0% of the amount over \$7,500,000

SOURCE: [WWW.DASNY.ORG](http://WWW.DASNY.ORG)



# CONCLUSION

We don't want any confusion when researching the cost of engineering for your construction project. This is why we have laid out the three common methods to how we would typically price out the cost of a project. It's always important to remember that our engineers design with construction cost minimization throughout the project. There's no need for surprises, so creating a smooth and efficient engineering process is our goal.



# WANT TO LEARN MORE?

Cut your construction costs while simultaneously maximizing energy with our strategic MEP designs.

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