PMG-E10: PREPARATION OF CM OR D/B GUARANTEED MAXIMUM PRICE PROPOSALS

PURPOSE: To describe the requirements for development of Guaranteed Maximum Price (GMP) proposals by Construction Management (CM) or Design/Build (D/B) builders.

One or more Guaranteed Maximum Price (GMP) proposals shall be developed at the phase(s) specified in the Agreement for Construction Management Services or Agreement for Design/Build Services.

The GMP proposal shall be entitled "Guaranteed Maximum Price Proposal for "(name of project, project number, phase);" dated on the cover; with pages numbered in the following order:

1) Transmittal letter.

2) Table of contents

3) Executive Summary (a brief general summary of the project/scope, guaranteed maximum price, schedule, and other notable particulars)

4) List of Documents. A recital of the specific Construction Documents, including drawings, specifications, and all addenda thereto, which form the basis of the GMP proposal (project manual(s), drawings by sheet number & date, etc.)

5) Description of Work

a) Qualifications, Exclusions, and Assumptions. A summary of all qualifications, exclusions, and assumptions incorporated into the GMP proposal, none of which shall conflict with the requirements of the General Terms & Conditions, the Agreement for CM or D/B services, the Owner's policies, or the construction/bid documents.

b) Proposed Substitutions, Modifications, or Variances.

c) Value Engineering Recommendations.

d) Schedule of Allowance

e) Additive/Deductive Alternates. A description of alternates with accompanying breakdown of cost/savings in the GMP format including critical dates for inclusion in GMP.

6) GMP Proposal

a) Order of calculation. Percentage-based items shall be calculated as prescribed in the Construction Authorization.

b) Major Elements of the GMP

i. Cost of the Work, detailed by CSI division and/or subcontract/trade, including all quantities and unit prices.

ii. Contingency, calculated as a fixed percentage of the Cost of the Work as agreed to in the contract.
iii. Staffing Cost, detailed by staff member and expense category and coded to the relevant paragraphs in the Agreement for CM or D/B services. Also include a tabular summary of the UF-approved labor burden rates for each billable staff member.

iv. General Conditions Costs – including bonds & insurance – detailed by expense category and coded to the relevant paragraphs in the Agreement for CM or D/B services.

v. Overhead & Profit, calculated as a fixed percentage of the (4) items listed above excluding bonds & insurance.

c) Schedule of Values. Also provide a draft Schedule of Values, organized by anticipated bid packages and including quantities, unit prices, and cost extensions. In addition, provide a reconciliation to/with the GMP and previous estimates, if those proposals or estimates were organized or broken down differently.

7) Detailed Construction Schedule

8) Bidding Phase Outline

   a) List and description of bid packages
   b) Bidding and award schedule
   c) Draft bid tabulation summary

9) Jobsite management/logistics plan

10) Other information as needed

Provide an electronic copy (searchable PDF) via e-mail or the project’s Sharepoint site.

For second, third, or subsequent GMP proposals, assume the scopes and prices will be additive (cumulative) and account in the new GMP proposal for bid/tax savings and CM or D/B contingency already accrued or expended under prior Authorizations.

Verbal/informal agreement on the GMP proposal does not constitute a Notice To Proceed (NTP). A formal NTP will be issued by the Owner, along with an executed Construction Authorization that itemizes primary elements of the GMP and establishes the dates for Substantial and Final (and/or punchlist) Completion.