## 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.

INTRODUCTION:

Due to recent Florida Legislative, Board of Governors, UF Board of Trustees, and UF Administration policy changes related to the use of State appropriated E&G/Carry Forward funds, additional guidelines as specified in this policy shall be followed for construction projects utilizing E&G source(s) of funds as follows;

Internal PMG: Upon meeting with the client/user group, and development of the Facility Program, the UF Project Manager will determine if the project scope includes both renovation/remodeling of existing space, and/or new construction. If the scope includes both, the PM must consult with the user group whether E&G/Carry Forward funds will be utilized as a project funding source. This will aid in determining the extent to which delineation of GMP Proposals, Purchase Orders, and Pay Applications will be required.

External PMG: If E&G/Carry Forward funding will be utilized, CM/DB is required to prepare separate GMPs each for both the Renovation/Remodeling and New Construction scopes. GMP “A” will be specific to the renovation scope only, and GMP “B” will be specific for the new construction scope of the total project. UF-PDC will issue separate purchase orders for each GMP. CM/DB will be required to prepare separate pay applications and pre-construction service invoices (if services are required) for each scope/purchase order. Material packages that qualify for the UF Owner Direct Program will also be specific to the respective GMP that material is identified in.

EXECUTION:

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
   1. 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.
   2. Proposed Substitutions, Modifications, or Variances.
   3. Value Engineering Recommendations.
   4. Schedule of Allowance
   5. 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
7. Order of calculation. Percentage-based items shall be calculated as prescribed in the Construction Authorization.
8. Major Elements of the GMP
   1. Cost of the Work, detailed by CSI division and/or subcontract/trade, including all quantities and unit prices.
   2. Contingency, calculated as a fixed percentage of the Cost of the Work as agreed to in the contract.
   3. Staffing Cost, as approved during contract negotiations, detailed by staff member and expense category and coded to the relevant paragraphs in the Agreement for CM or D/B services. For the GMP, this includes number of weeks and percentage of construction duration each personnel would be involved in the project. Also include a tabular summary of the UF-approved labor burden rates for each billable staff member. This rate would be forwarded only to Associate Director of Finance for audit confirmation.
   4. General Conditions Costs, as approved during the contract negotiations, including bonds & insurance – detailed by expense category and coded to the relevant paragraphs in the Agreement for CM or D/B services.
   5. Overhead & Profit, as approved during contract negotiations, calculated as a fixed percentage of the (4) items listed above excluding bonds, insurance & permit fees.
9. 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.
10. Detailed Construction Schedule
11. Bidding Phase Outline
12. List and description of bid packages
13. Bidding and award schedule
14. Draft bid tabulation summary
15. Jobsite management/logistics plan
16. Other information as needed

Provide an electronic copy (searchable PDF) via e-mail or the project’s BIM360 folder.

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 and a purchase order.