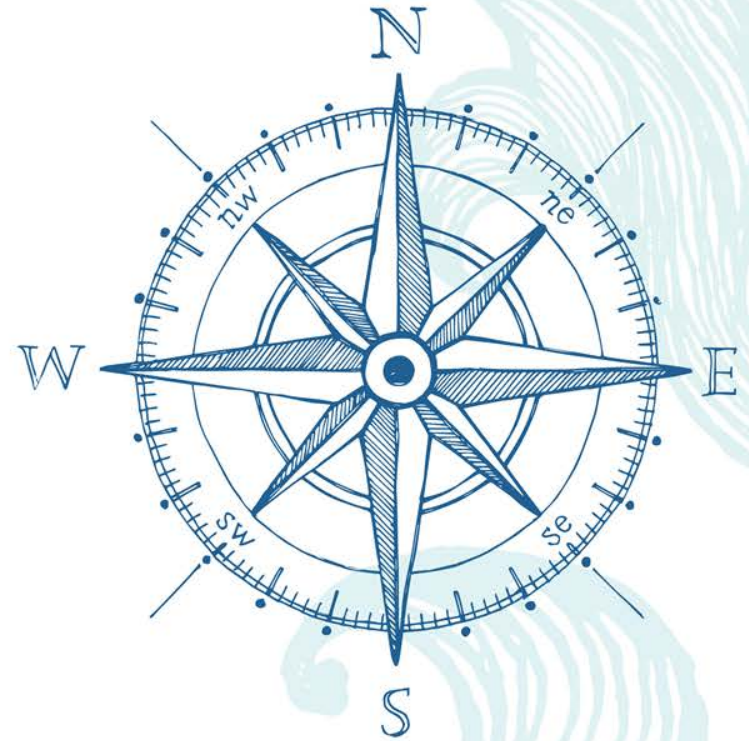


BUILDING COLLABORATIVE COMMUNITIES

NAVIGATING CHALLENGES, CHARTING INNOVATIONS



How you put the Guarantee In GMP?



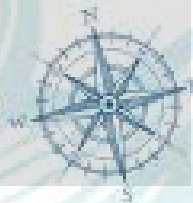
Learning Outcomes

- 1. Learn how to effectively set a project budget*
- 2. Learn how to set up your RFP to serve your project.*
- 3. Learn how Contractors validate a GMP*
- 4. Learn how to manage the design process to get needed results*
- 5. Learn how to evaluate a GMP proposal*



How you put the Guarantee In GMP

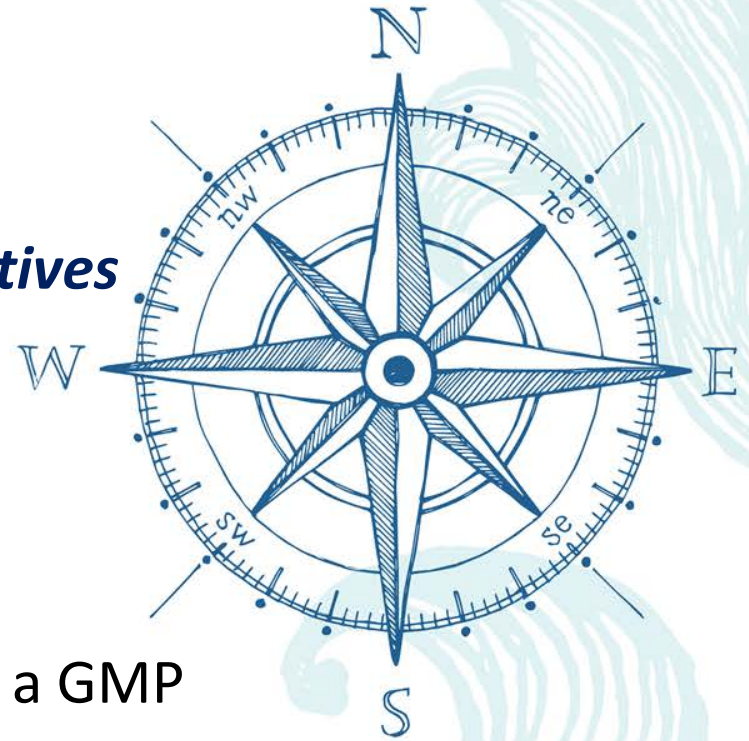
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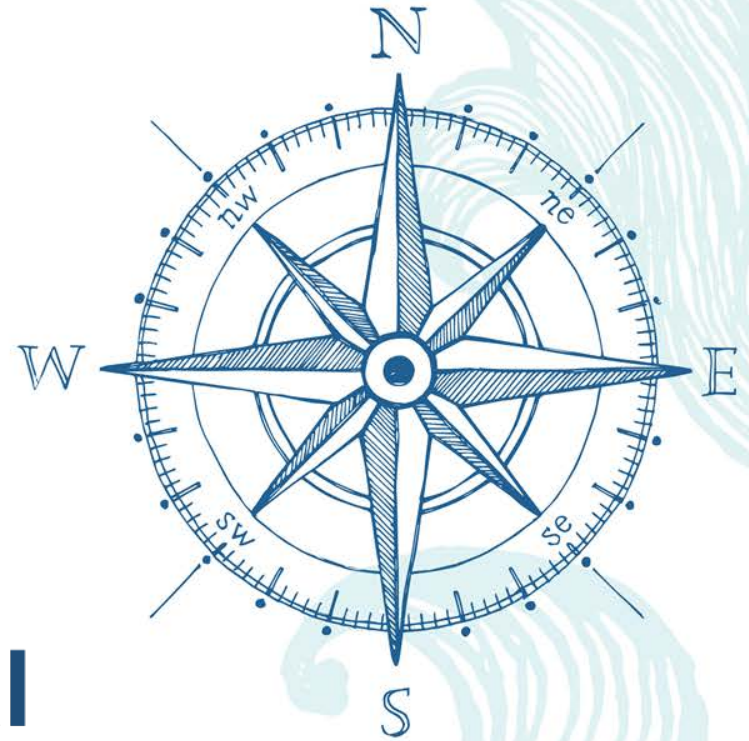


Introduction

GMP's from Four (and more) perspectives

- Setting budgets by Campus
- Validating budgets by Contractor
- Effective RFQ and RFP process
- Setting target budgets – Submitting a GMP
- ***Panel and Audience discussion***





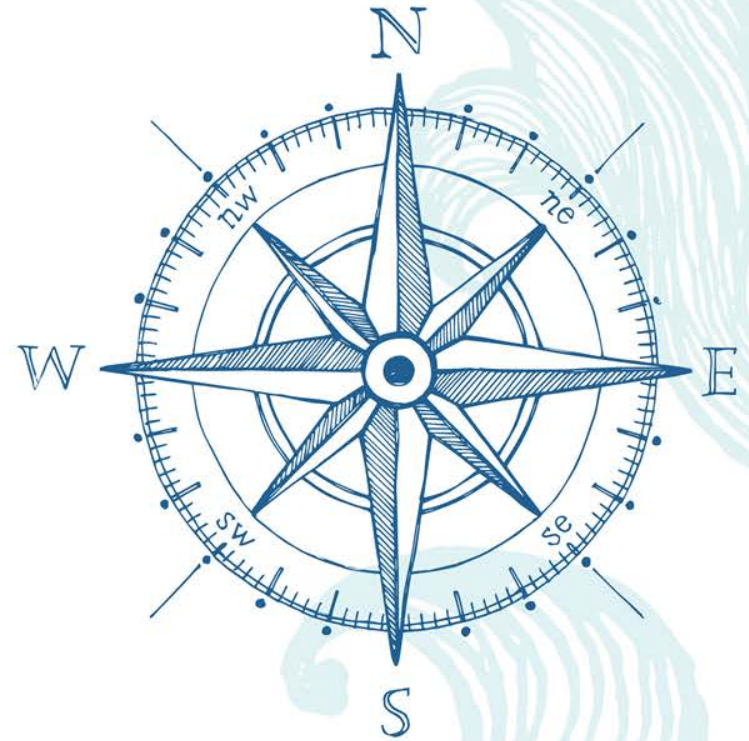
Ken Rosenthal

California State University Northridge

Conceptual Budget

- Research Comparable Projects
 - Gather Data - BNI
 - Analyze
- Develop a Baseline Project Cost Model
- Understand Assumptions
- Test
- Project Budget vs 2-7 Budget





Robert Ussery

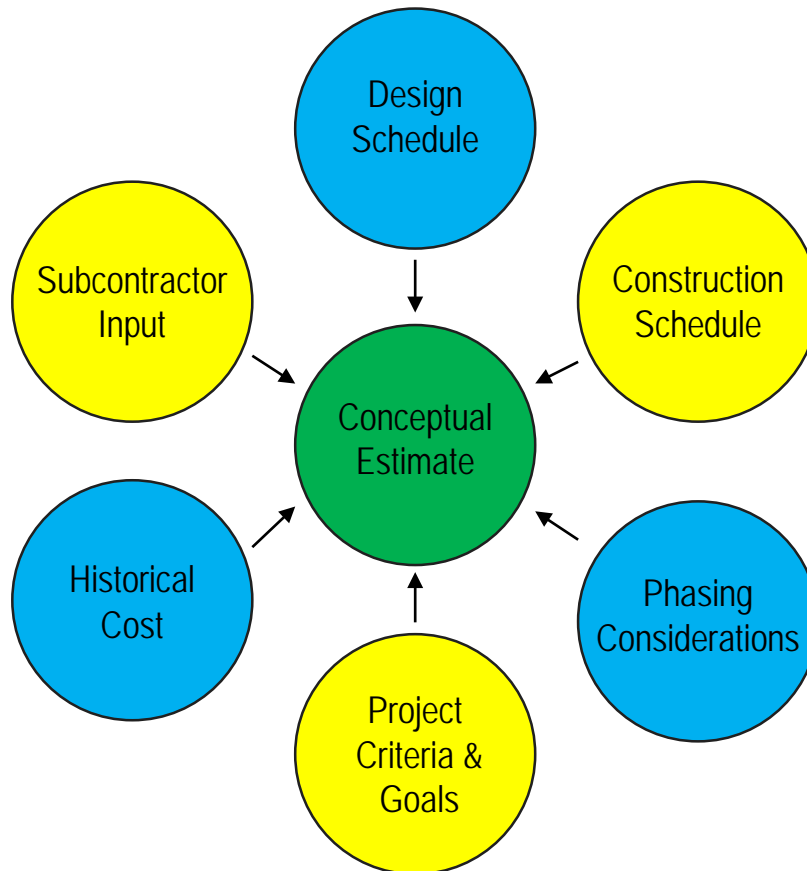
Otto Construction

Validating the Budget: Pre-Award

- Conceptual Estimate before our first confidential meeting



Validating the Budget: Pre-Award

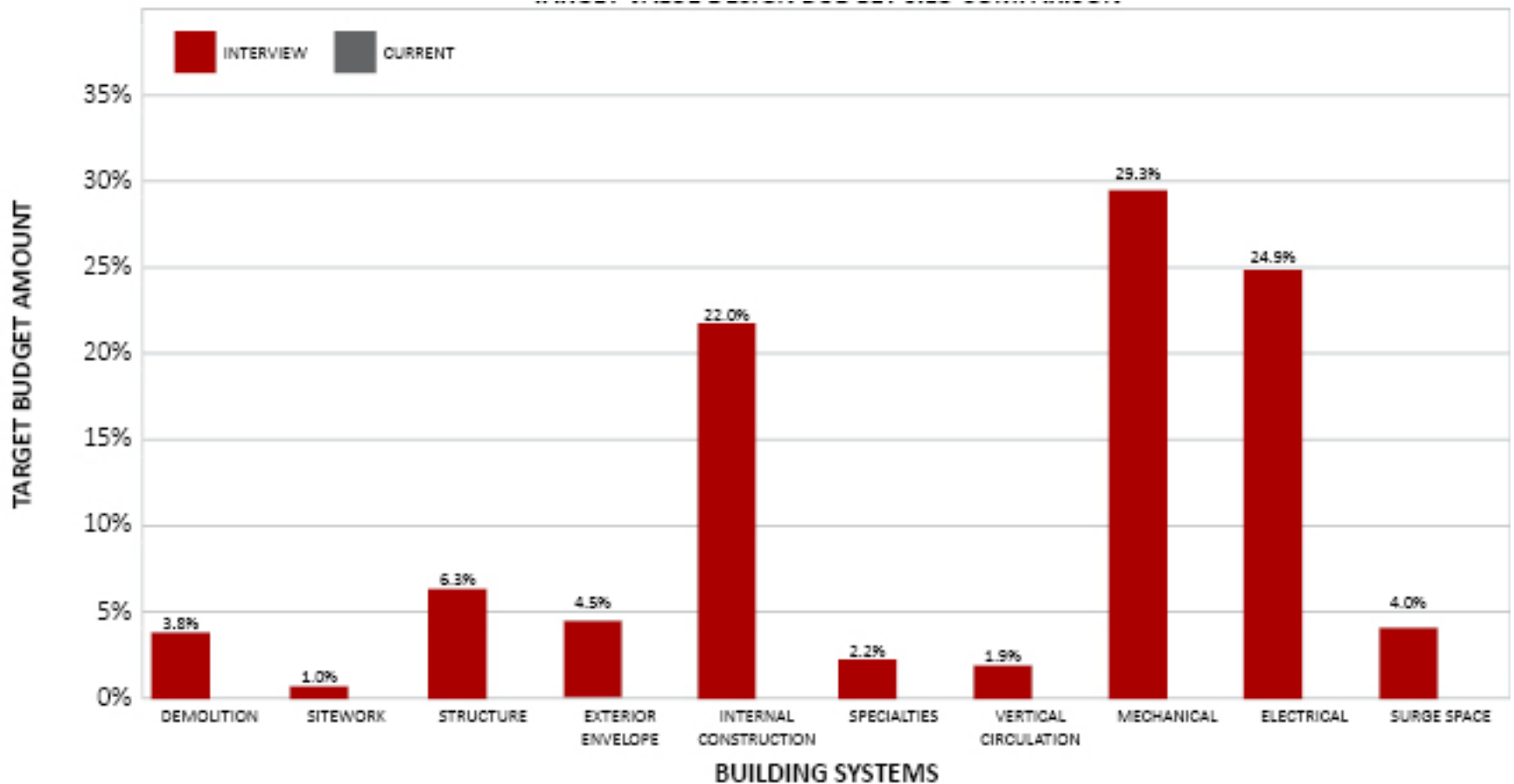


Validating the Budget: Post-Award

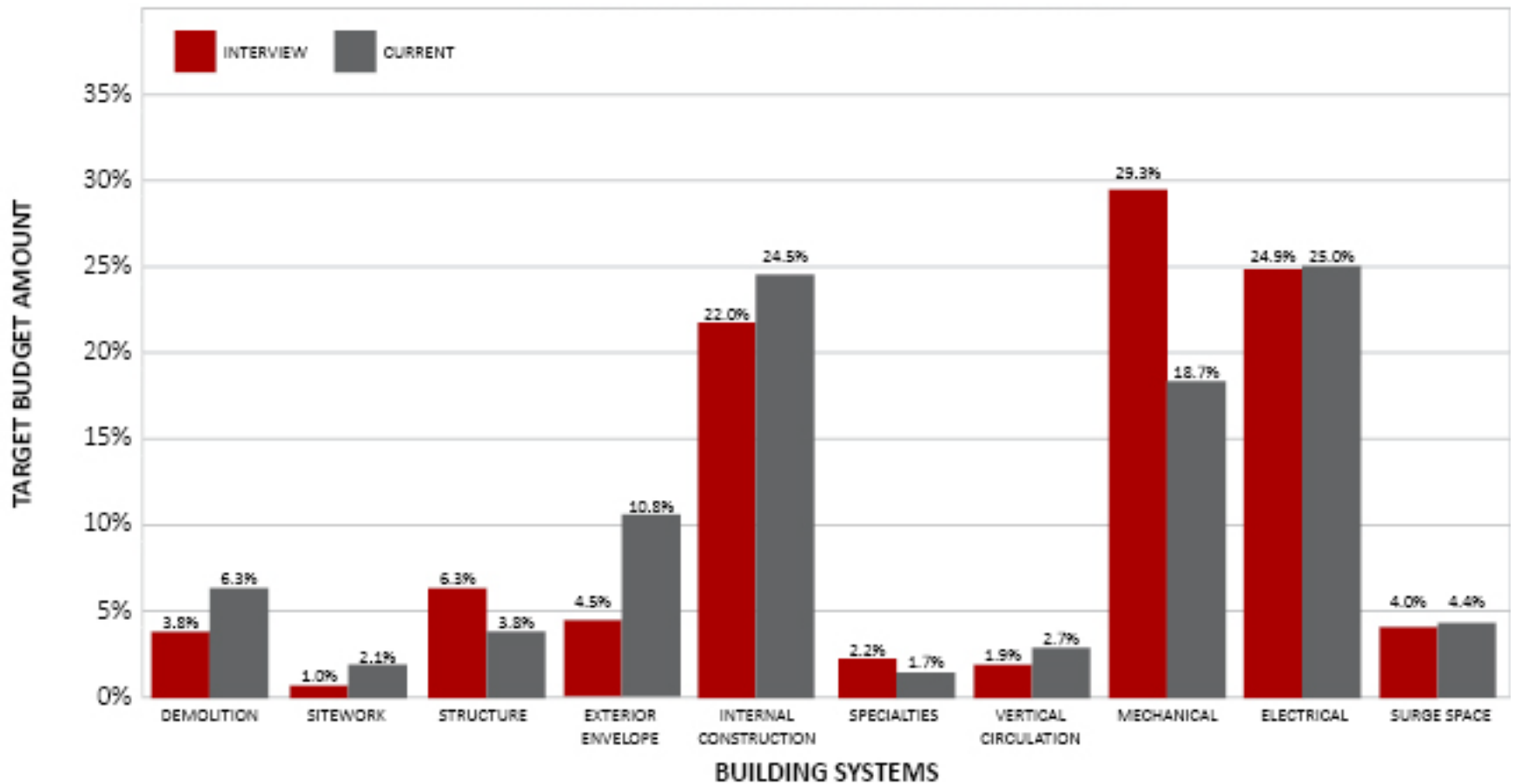
- Initial Target Value Design Budget
 - Project Priorities
 - Wants vs. Needs
 - Buy-in to key decisions, schedule
 - Subcontractor Input
- Detailed cost evolution log
 - Enhancements
 - Best Value Innovations



Validating the Budget: Post-Award



Validating the Budget: Post-Award



Validating the Budget: Post-Award

- Cost Studies
 - Preliminary Sketches
 - Quick Turnaround
 - Cost
 - Schedule: Design and Construction
 - Availability
 - First Cost vs. Operational Cost
 - Realtime Subcontractor Engagement
 - Honest Budget Discussion





Melody Maffei

CALIFORNIA STATE UNIVERSITY, STANISLAUS



The RFQ/RFP Phase

RFQ Phase

- Clear and Concise
- Realistic Timelines
- CO Template, add anything project specific
- Scoring – what's important to your team



Project Team / Committee

- Choose the members carefully if possible
- Guide them in the process
- Help interpret the information
- Delegate scoring sections
- Recorder



RFP Phase - Notice

- Clear and Concise draft RFP
- Budget
- Project Description – include everything that's unique, specific
- Accurate Schedule – consider semesters / academic timing
- Scoring
- Proposal Requirements



RFP Phase – Confidential Meetings

- 1st – Campus Run – explain vision for team and project
- 2nd – Run by Proposing Teams – observe team dynamics; campus knowledge, understanding of project



RFP Phase - Team Interviews

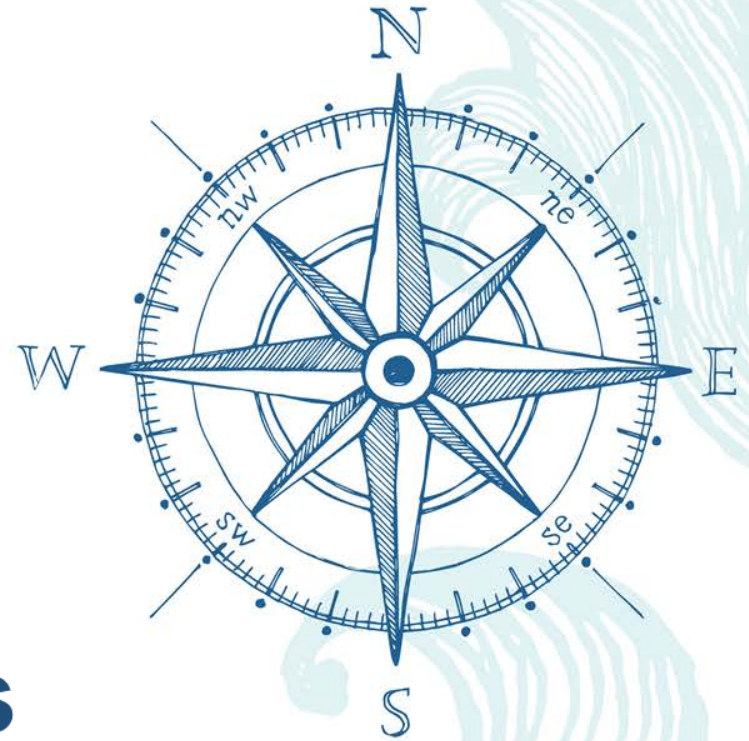
- Do they understand their audience?
- Do they understand the project?
- Do they understand the budget?
- Did they listen during confidential meetings?
- Do they have something to offer to make the project better?



RFP Phase – Proposals & Scoring

- Assign sections to committee members to evaluate
- Focus on what's in the proposal – ensure that committee members understand their section requirements
- Check with project owners of similar projects that they've provided
- Scoring is critical!



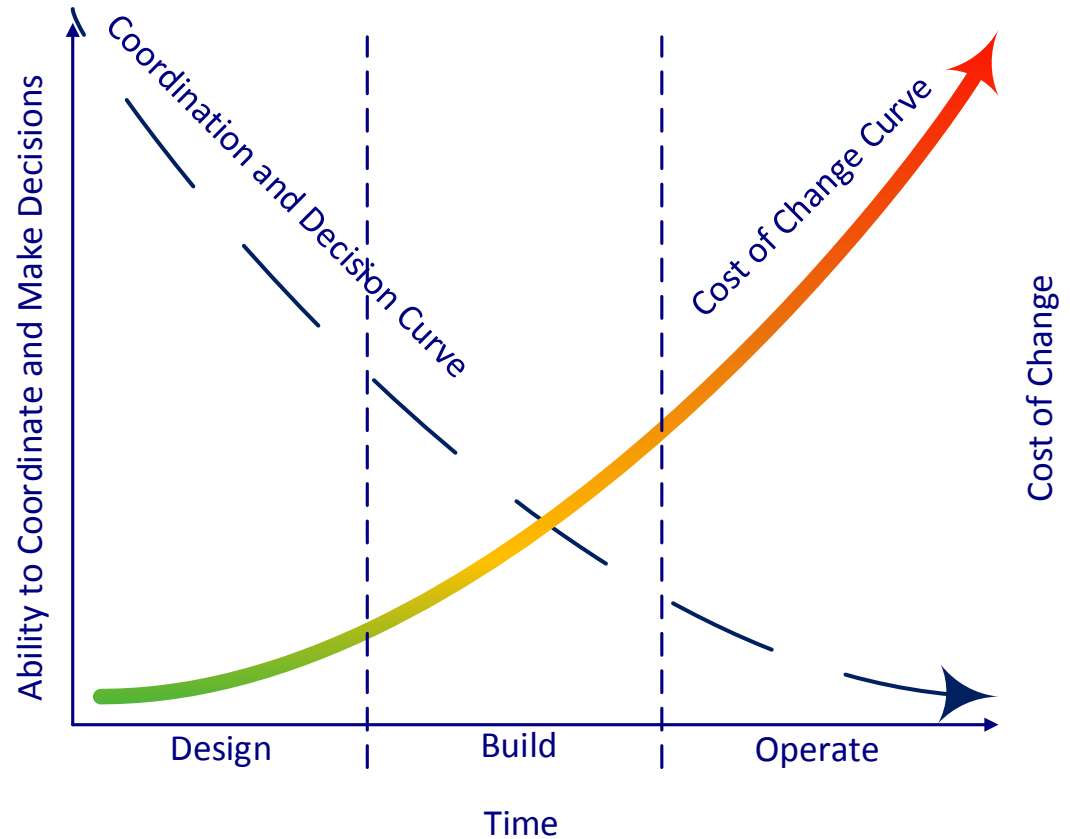


John Cowles

Hathaway Dinwiddie Construction

It starts with the Budget

- As we move along through the Project phases the ability of the Team to coordinate the design and make cost effective decisions diminishes while the cost to implement late decisions and to correct conflicts increases.



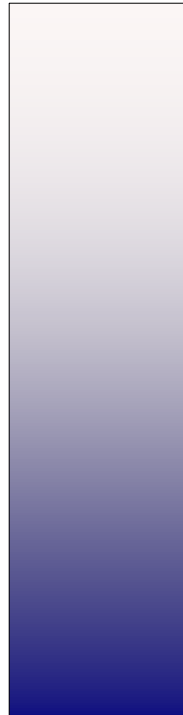


Pre-GMP
Budgeting

- Budgeting – Develop budgets at key milestones
 - Cost Model
 - Conceptual Budget
 - Schematic Budget
 - Design Development Budget
 - Construction Document



Less Detailed

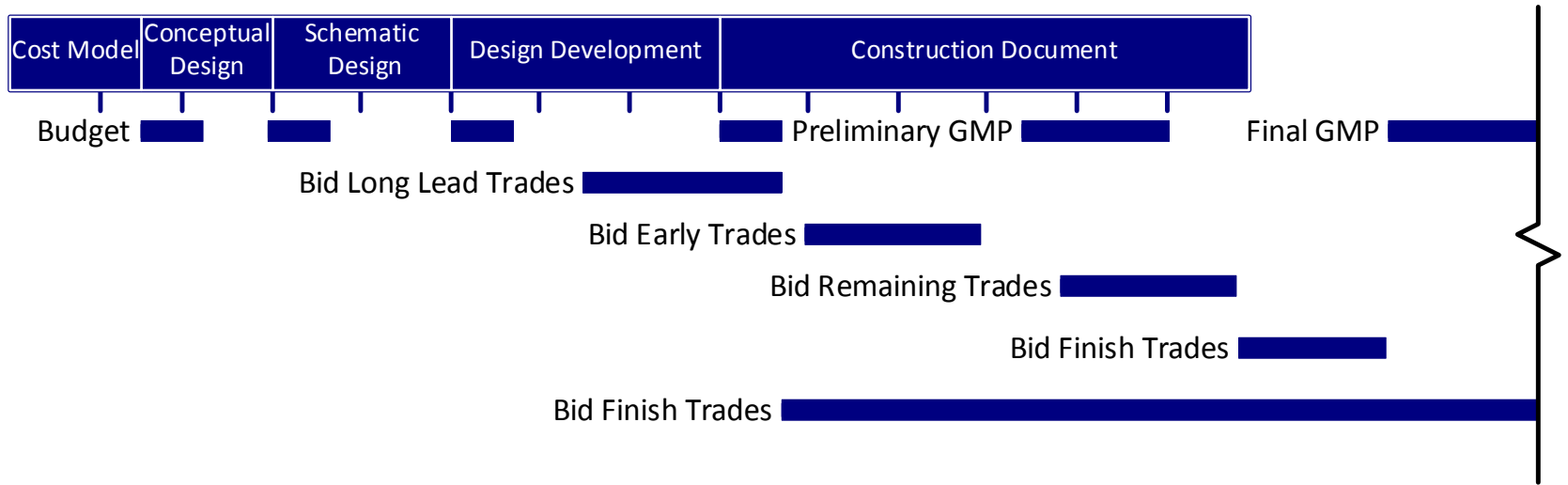


More Detailed

Pre-GMP Budgeting

- More detail and information available as you move down the list
- Base early budgets on historical costs and assemblies
- Introduce Trade Partners to include market conditions into the budget
- Budget like you are going to buy it setting up bid packages and assigning scope to trade packages as you go.



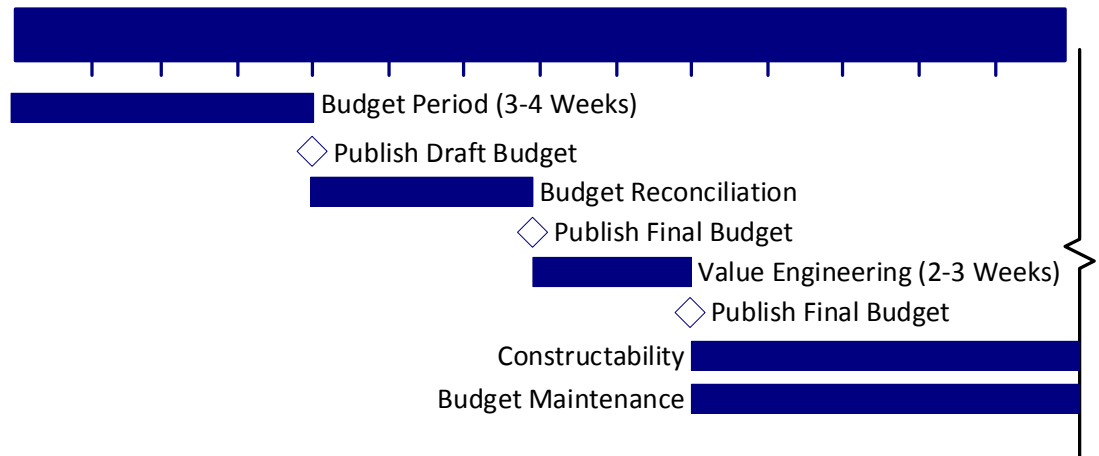


Pre-GMP Scheduling

- Development rough timelines for design
- Develop Procurement Strategy and Bid Packaging
- Develop Preliminary Construction Schedule

The Pre-GMP Budget Cycle

- Publish Preliminary Budget
- Reconcile Budget
- Publish Final Budget
- Value Engineering Period
- Publish Final Budget



1

**Establish budgeting,
scheduling and planning
goals**

2

Make decisions based on:

- Best Value
- Schedule constraints
- Budgetary constraints

3

**Allow for the
procurement of long lead
items and materials**

- Curtainwall
- Steel
- Elevators

4

Begin coordination early

- Mechanical
- Electrical
- Plumbing
- Design Build Trades

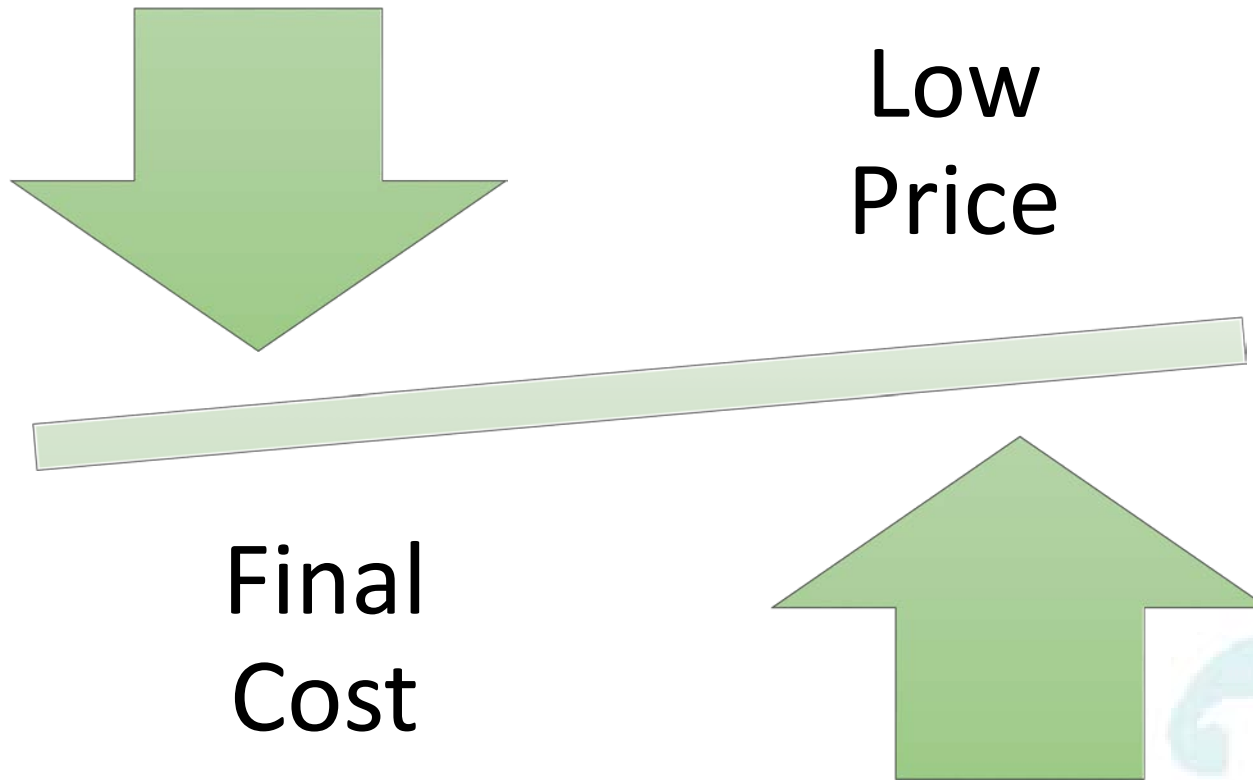


The GMP is Different

- Shifts the burden of producing a complete and fully functioning set of documents from the Owner to the Contractor
- Includes “reasonably inferable”, and “complete and code compliant” language.
- Contractors contingency to cover in scope issues
- Not the lowest bid but the lowest responsive bid



Price Versus Cost



When Submitting a GMP Remember

- Trade Partners and Contractors need to be on same page
 - The GMP is based on a complete job
 - Subcontractor are traditionally held to a plans and specifications proposal
- You are bidding an incomplete set of documents
- Your standard of care is not plans and specifications but a complete scope
- Your must find and fill in the gaps and qualify your assumptions



The Notice to Bidders

This document is used to supplement the Contract Documents to develop a complete project scope.

Includes General Contractor's requirements not normally found in the standard Bid Documents

It clarifies scope items

Who Has What



Bid Leveling

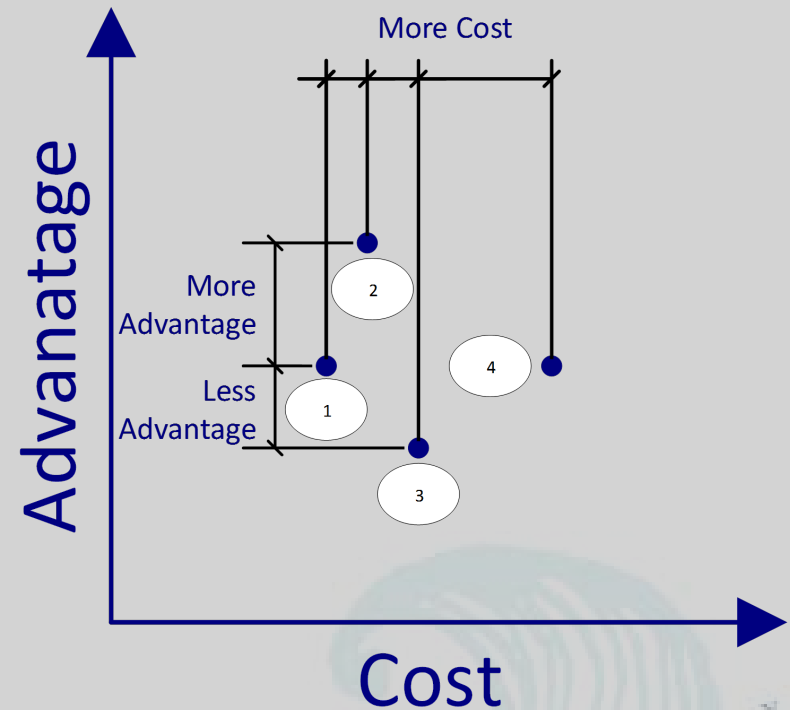


- Is Trade Specific
- Bid leveling compares GMP Proposals from the Trade Partners
- It focusses on included and excluded scope and seeks to equalize scope from all bidders
- It gathers other information for further comparison
 - ✓ Safety Information
 - ✓ Team Information
 - ✓ Alternates and Value Engineering Ideas



Best Value

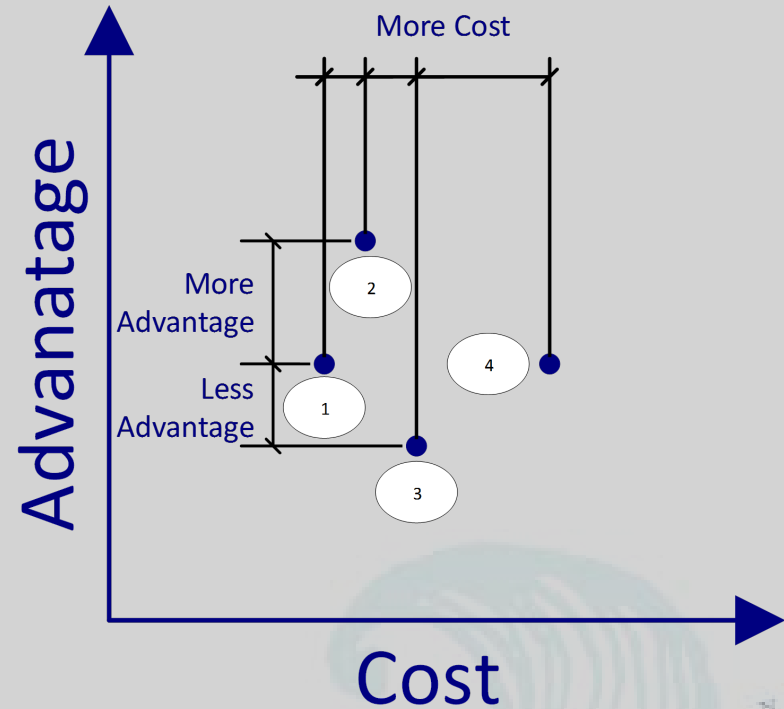
- Understanding the advantages of one decision over the other
 - ✓ Team availability
 - ✓ Proposed Schedule
 - ✓ Quality
 - ✓ Track Record
 - Experience
- Then evaluating the proposed price



Understanding Best Value

Option 2 is Best Value

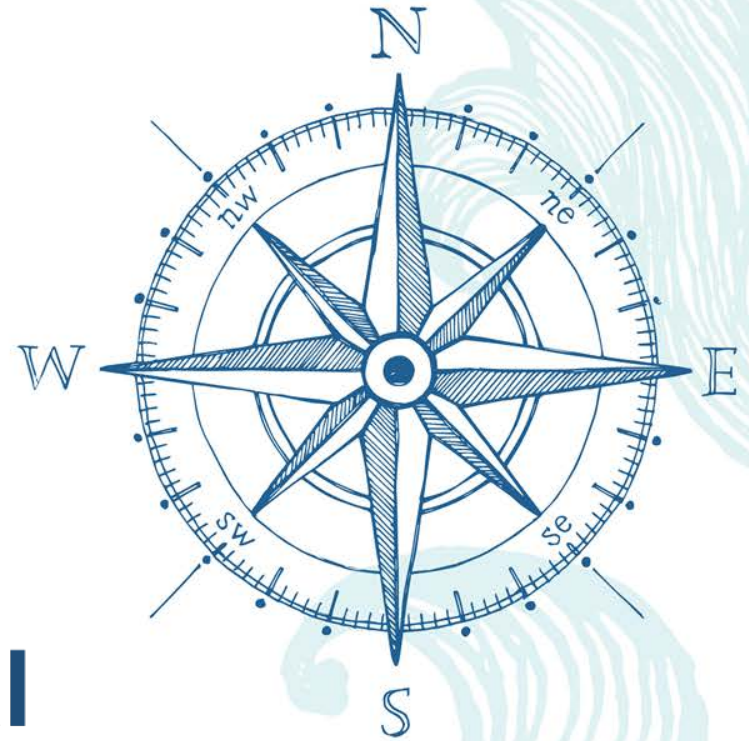
- The low-cost alternative
- More advantages slightly more cost
- Less Advantages more Cost
- Same advantages More cost



Conclusion

- A successful GMP Starts with good budgeting and follow up budgeting as the documents progress.
- Each budget is an assessment of the documents as they stand and includes potential savings
- The most important thing is clarity on what is being built
- The final costs must represent a complete scope





Ken Rosenthal

California State University Northridge

Validating the GMP

- Trust and Transparency
- Be Involved – Understand the Bidding Strategy
- Prequalification
- Technical Proposal Bid Sheets
- Contractor Balance
 - ✓ Sub Lowest Cost \neq Contractor Complete Cost
 - ✓ Risk vs Uncertainty vs Lowest Bid vs Complete Cost
- Normalization Process

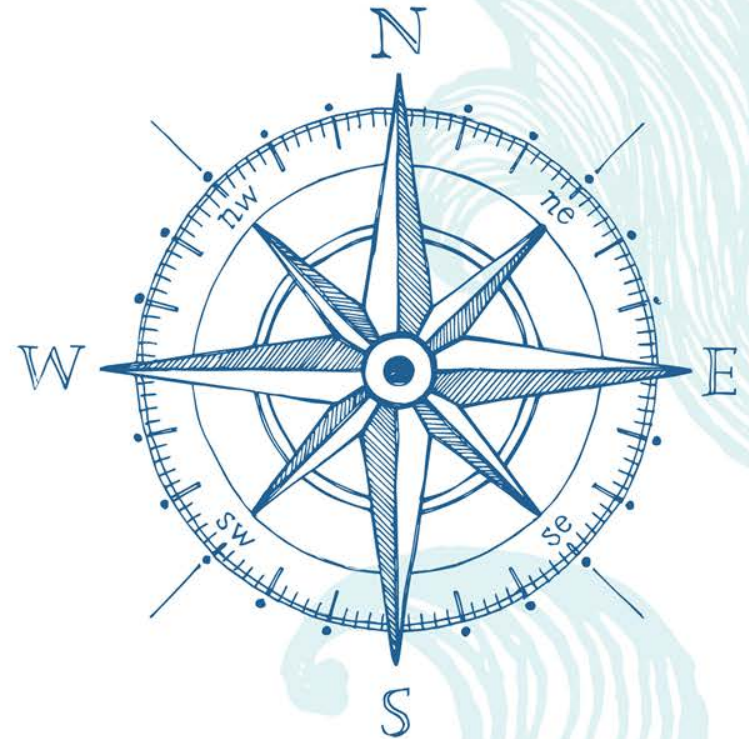


Validating the GMP

- Allowances
- Exceptions / Clarifications
- GMP Check List
- Final Cost Reconciliation
 - ✓ Catch All - Final scope and actual costs

CSU The California State University			
CMAR GMP Submittal - Checklist			
Project Name			
Project Number			
Date of GMP Submission			
Item #	Description	Attach to Construction Agmt (X)	Comments
1	Table of Contents		Lists all items contained in the GMP. No need to include standard contract documents such as GCs, SGCs, or agreements.
2	Executive Summary		Cover letter for submission of package.
3	GMP and Project Cost Recap	X	1. GMP summary should include direct costs, allowances, pmt & perf bonds, contractor default insurance (unless N/A); fees for construction phase services, CM contingency, and CM OH&P. 2. GMP back-up shall include a listing of all subcontractor bids received and indicate the selected bidder; 3. Recap should include bid summary, alternates (if any), general requirements costs and negotiated fees. 4. Back check costs against RFP-Table A.
4	Warranty Letter	X	1. Should conform to standard letter provided in the RFP. 2. Review constructability backchecks and insure all comments have been resolved. Include statement to
5	CM Exclusions, Assumptions, Clarifications (if any)	X	1. Subject to negotiation if included. 2. Call CPDC CM for support if items appear to be questionable. Questionable items should not be included. 3. Back check all items against RFP-Table A and GCs. 4. Do not allow clarifications that could be answered through the RFI process.
6	Allowances	X	1. CM and Trustees' allowances should be closely examined, both at GMP and during construction. 2. Both are for work that can't be determined at bid time. 3. Both shall be credited back if not used. 4. Manage both in accordance with GCs 6.01-f, Use of Allowances. 5. Trade bid allowances should not be used as additional CM contingency, but for specific and discrete purposes. 6. All allowances shall be listed in the same location in the GMP.
7	Bid Package Summary & Award		1. Identifies trades solicited and recommends award to lowest responsible and responsive bidders after normalization. 2. Review self-performed work estimates (shall be an allowance if not competitively bid). 3. Move indeterminate or unspecified work to an allowance.
8	Document Log	X	1. Identifies the general conditions, plans and specs, addenda, and other associated documents that are included in the contract documents. 2. Shall also include the dates of each.
9	Preliminary Schedule		1. Should be high level and confirm contract duration agreed upon by all parties during design phase. 2. Ensure any construction phasing requirements are identified.
10	List of Trade Contractors		1. List subs with subcontract value that is over 1/2 of 1% of the GMP. 2. Use form 701.4A-CM, which includes insurance (non-OCIP work), SBE & DVBE percentages. See <i>template on CPDC CM website</i> .
11	DVBE Declaration & Submittal		1. Confirm DVBE submittal matches up with RFP response for percentages (which may or may not include bonus points). 2. 3% is the minimum. 3. DVBE requirements should be confirmed by Campus DVBE Coordinator.
12	Bid Comparisons		Breakdown of all trade bids received after normalization.
13	Accept GMP		1. Acceptance of the GMP should be contingent upon knowing all costs. 2. Scope additions prior to contract execution but after budget is set could lead to changes that cause a negative impact on the GMP contract amount.





Panel and Audience Discussion

Please fill out session evaluation using Guidebook

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