**Construction Administration Guide**

**CAG-Exhibit 2**

Edition: November 1, 2016

Guideline for **Preparation of Guaranteed Maximum Price Proposal**

The Guaranteed Maximum Price proposal is developed at the phase specified in the Agreement, usually at 50% Construction Documents.

The GMP proposal should be bound and entitled, "Guaranteed Maximum Price Proposal for (name of project, project number)" and must include a date on the cover. Proposal pages must be numbered, bound inside the proposal, in the order indicated below:

* Transmittal Letter (signed by corporate representative)
* Project Team organizational chart with confirmation of project team members
* Table of Contents

**Tab 1 GMP Summary** (brief general summary of scope of work, alternates, etc.)

**Tab 2 List of Contract Documents**  (project manual(s), drawings by sheet number & date)

**Tab 3 Description of Work**

1. **Specification listing:** provide a detailed listing of specifications by division and section which describes exclusions, substitutions, modifications, etc. If no changes are proposed for a particular section, insert "as per specifications".
2. **Qualifications and Assumptions:** a summary of all qualifications and assumptions included in the specification listing.
3. **Exclusions:** a summary of all exclusions included in the specification listing, plus any exclusions not related to the specifications
4. **Value Engineering recommendations:** if applicable.
5. **Allowance Schedule:** if applicable.
6. **Add Alternate Schedule:** if applicable (a description of alternates with accompanying breakdown of GMP cost).

**Tab 4 GMP Cost Summary**

1. A detailed summary of costs using CSI format, organized according to anticipated bid packages, which includes quantities, unit prices, and cost extensions.
2. Following the cost summary of the work, the fee (as identified in **Paragraph 7.2** of the Agreement between Owner and Construction Manager or **Paragraph 13.2** of the Agreement between Owner and Design/Construction Services Team) must be broken down further.
3. This breakdown must include a detailed listing of home office support, field staff and all other items listed in the definition of "fee" in the Agreement.
4. Calculations made to arrive at cost extensions must be shown for each team member, i.e., actual salary rate times number of hours = subtotal, times personnel expense multiplier = total labor cost.
5. A breakdown justifying the multiplier used for personnel expense must be included. The profit multiplier portion of the fee shall be shown on a separate line of the cost summary.

**Tab 5 Master Project Schedule**

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