

EXHIBIT D - GUARANTEED MAXIMUM PRICE (GMP) INSTRUCTIONS

DEFINITIONS

Allowance – An estimated dollar amount determined jointly by the City and the Design-Builder that is included in the Contract for the purpose of encumbering funds to cover the cost of items which have not been specified explicitly in the Contract. Allowance items may not be completely defined when the Contract is executed, but may be necessary to complete the project. Contract allowances are controlled by the City.

Construction Fee- The Design-Builder's administrative costs, home office overhead, and profit, whether at the Design-Builder's principal or branch offices.

Contingency, Design-Builder's- A fund to cover cost growth during the Project used at the discretion of the Design-Builder usually for costs that result from Project circumstances. The amount of the Design-Builder's Contingency will be negotiated as a separate line item in each GMP package. Use and management of the Design-Builder's Contingency is described in Section 2.7.

Contingency, Owner's- A fund to cover cost growth during the Project used at the discretion of the City usually for costs that result from City directed changes or unforeseen site conditions. The amount of the Owner's Contingency will be set by the City and will be in addition to the project costs included in the Design-Builder's GMP packages. Use and management of the Owner's Contingency is described in Section 2.7.

Contract Amount- The cost for the services for this Contract as identified in Article 4.

Cost of the Work- The direct costs necessarily incurred by the Design-Builder in the proper performance of the Work. The Cost of the Work shall include direct labor costs, subcontract costs, costs of materials and equipment incorporated in the complete construction, cost of other materials and equipment, temporary facilities, building permit fees (if not paid for by City), materials testing, and related items. The Cost of the Work shall not include the Design-Builder's Construction Fee, General Conditions Cost, or taxes.

General Conditions Costs- Includes but is not limited to the following types of costs for the Design-Builder during the construction phase: payroll costs for project manager or construction manager for Work conducted at the site; payroll costs for the superintendent and full-time general foremen; payroll cost for other management personnel resident and working on the site; working on site; workers not included as direct labor costs engaged in support (e.g. loading/unloading, clean-up, etc.); administrative office personnel; costs of offices and temporary facilities including office materials, office supplies, office equipment, minor expenses; utilities, fuel, sanitary facilities and telephone services at the site; costs of liability insurance premiums not included in labor burdens for direct labor cost; cost of bond premiums; costs of consultants not in the direct employ of the Design-Builder or Subcontractors; and fees for licenses.

Guaranteed Maximum Price (GMP)- The sum of the maximum Cost of Work including the Design-Builder's Construction Fee, General Conditions Costs, sales tax, and Design-Builder Contingency.

GENERAL

The Design-Builder is responsible for proper, complete and accurate preparation of the GMP Proposal.

The Design-Builder must verify with the City the current Exhibit D requirements and procedures when entering into these services.

Do not acquire bonding or insurance until notified by the Project Manager and/or Legal Department.

PREPARATION OF THE GMP PROPOSAL

GMP Proposal shall be prepared on 8.5-inch x 11-inch size paper and consists of the following:

Cover Page Must Include:

- “Guaranteed Maximum Price Proposal for (Project Title)”
- Project No.
- GMP No.
- Name of City of Maricopa Project Manager
- Name of Design-Builder
- Date Submitted

Table of Contents Must Include:

1. Scope of Work
2. GMP Proposal Summary Sheet
3. Schedule of Values
 - General Conditions
 - Bid Comparisons / Bid Responses
 - Allowance Schedule (if applicable)
4. Plans and Specifications
5. Clarifications and Assumptions
6. Project Schedule

A Tab will be required for each item (1-6) identified in the Table of Contents. Each tab shall include the following:

1. Scope of Work: Two brief narrative descriptions of the work to be performed by the Design-Builder; (1) Overall project description and (2) Specific description for this GMP (if multiple GMPs).

Overall project description shall include the following:

- Location- (i.e., street address or a description like SW Corner of Dobbins and 35thAve)
- Size/ Quantity- (i.e., acres of land, square feet of building, number of spaces)
- Type of Job- (i.e., new construction, demolition, renovation)
- Usage- (i.e., Senior Center, Library, Cooling Tower)
- Work to be accomplished (i.e., painting, concrete, masonry, electrical, HVAC)
- List Proposed Improvements (i.e., sidewalk, irrigation, electrical, HVAC updates)
- Major points of concern (i.e., LEED certification, hazardous materials, special permit, occupied site)
- Anticipated GMP's

Specific Description for this GMP shall include the following:

- Work to be performed under this GMP.

2. GMP Proposal Summary Sheet: A summary of the GMP with a total for each of the GMP components as defined in Article 1.

GMP NO. _ PROPOSAL SUMMARY SHEET			
Project Number:		Date:	
Project Title:			
CONSTRUCTION SERVICES		AMOUNT	
DIRECT COSTS			
A.	Cost of Construction (Labor, Materials, Equipment)		\$0.00
B.	Design-Builder's Contingency		\$0.00
C.		SUBTOTAL DIRECT COSTS	\$0.00
			C = (A + B)
INDIRECT COSTS		CALCULATED RATE ¹ :	
D.	General Conditions (Excluding Bonds and Insurance)	0.00%	\$0.00
E.	Payment and Performance Bond ²	0.00%	\$0.00
F.	Insurance	0.00%	\$0.00
G.		SUBTOTAL GENERAL CONDITIONS COSTS	0.00%
H.		SUBTOTAL DIRECT AND INDIRECT COSTS	\$0.00
			H = C + G
I.	Construction Fee (Overhead & Profit)	0.00%	\$0.00
J.		SUBTOTAL DIRECT AND INDIRECT COSTS (INCLUDING FEE)	\$0.00
			J = H + I
K.	Sales Tax (6.045%) = 65% * 9.3%		\$0.00
			K = J x 6.045%
L.		GMP (Minus Owner's Contingency) **	\$0.00
			L = J + K
M.		Owner's Contingency	\$0.00
			M
N.		Total GMP	\$0.00
			N = L + M
O.		Total Prior GMP's	\$0.00
			O
P.		Total Prior Change Orders	\$0.00
			P
Q.		Design Services	\$0.00
			Q
R.		Contract Administration Services	\$0.00
			R
S.		Total Contract Amount ³	\$0.00
			S = N + O + P + Q + R
NOTES:			
(1). The cost basis used to apply approved rates for overhead/profit and taxes differs than that used to derive the "CALCULATED RATE" amounts. The "CALCULATED RATE" is the resulting ratio of amounts for these categories compared to L. GMP.			
(2). The Performance and Payment Bond costs are based on bonding in an amount equal to N. Total GMP.			
(3). The established MWSBE goal is based on Q. Total Contract Amount and must be met by the completion of the project.			

3. **Schedule of Values:** A detailed summary of costs, in spreadsheet format, shall have the estimated bid or cost organized by subcontract categories, allowances, Design-Builder's contingency, general conditions costs, bonds, insurances, Design-Builder's construction phase fee and sales tax. The Supporting Documentation for the spreadsheet must be provided in an organized manner that correlates with the Schedule of Values.

- The components of the Scope of Work must be broken down using either Construction Specification Institute (CSI) or Maricopa Association of Governments (MAG) division.
 - The City Project Manager will determine.
- The detailed summary of costs shall include quantities, unit prices and cost extensions.
- The costs shall be directly correlated to the specific plans and specifications used in preparation of the GMP.

The Schedule of Values Supporting Documentation must include the following:

- A more detailed breakdown of the General Conditions costs to include quantities, unit prices and cost extensions.
- Bid Packages/Subcontract Categories:
 - Bid Comparison Spreadsheet: For each trade provide a comparison of at least five (5) bid solicitations and three (3) bid responses from subcontractors. Indicate the subcontractor selected, and justify and include documentation if lowest bid is not selected. If providing less than three bid responses, provide justification.
 - Include self-performed portions of the subcontract work.

- Bid Responses: After the Bid Comparison Spreadsheet, include the bid responses received from the selected subcontractors. (The bid responses from the non selected subcontractors will be included as a separate package and shall include the Bid Comparison Spreadsheet for each trade.)
 - Allowance Schedule (if applicable)
 - Include a statement for their basis.
4. Plans and Specifications: A copy of the cover page and table of contents/index for both the sealed plans and specifications used in the preparation of the GMP.

As a requirement, the plans and specifications used in the preparation of the GMP must include a signature block on the cover page. This signature block consists of dated signatures from the Design-Builder, Design Consultant and City of Maricopa Project Manager.

SIGNATURE BLOCK

Specifications/Plans Used in Preparation of GMP No. _____	
DESIGN-BUILDER	Date
Design Consultant	Date
Project Manager	Date

5. Clarifications and Assumptions: A list of the clarifications and assumptions made by the Design-Builder in the preparation of the GMP proposal to supplement the information contained in the documents. Include justification of cost; do not include information that is already in the contract (no repetitive information). Allowances and contingencies must be justified and quantified individually. Allowances and contingencies as a percentage of the GMP will not be allowed. If applicable, list the Request(s) for Information (RFI's) individually. Format the comments by separating them into the following categories: *Technical Clarifications and Assumptions*, *Schedule Clarifications and Assumptions*, and *Contractual Clarifications and Assumptions*.
6. Project Schedule: A schedule that meets the following criteria.
- Must use the Critical Path Method (CPM).
 - Print in black and white.
 - Must have pattern and bar variations.
 - Must be legible after copying or scanning.
 - Font size shall not be smaller than 8 pt.
 - Use calendar days.
 - 8 ½ x 11 paper.

SUBMITTAL OF GMP PROPOSAL

The GMP Proposal shall be properly prepared in accordance with the instructions provided above.

One (1) copy of the GMP Proposal will be submitted to the City of Maricopa Project Manager who in turn will forward to the Legal Department for review.

- The copy submitted shall be on 8.5-inch x 11 inch size paper, unbound/no holes/not in binders and either clipped or rubber banded.

The GMP Proposal will be negotiated until it is approved by the Legal Department.

- Once the GMP Proposal is approved, the Legal Department will notify the project manager and give further instructions regarding the submittal of the approved GMP Proposal.

The plans and specifications used in preparation of the GMP shall contain the signature block on the cover and be signed by all parties.

- Contracts administration will request the appropriate number of specifications required to be made part the contract.
- Four (4) copies of plans will be required.

For questions regarding preparation and submittal of the GMP Proposal, please contact the designated Project Manager.