



EXECUTIVE DIRECTOR FACILITIES MANAGEMENT

Policy & Procedure #16

TITLE **AMENDMENT(s) FOR CONSTRUCTION MANAGER (CM) CONTRACT TO ESTABLISH GUARANTEED MAXIMUM PRICE (GMP)**

OBJECTIVE AND PURPOSE To ensure timely processing of the Construction Manger (CM) Contract Agreement establishing the Guaranteed Maximum Price prior to issuing a Notice to Proceed can take place.

RESPONSIBILITY **ACTION**

- DIRECTOR, DESIGN & CONSTRUCTION**
- ◆ Within (45) days prior to the anticipated Notice to Proceed, the DESIGN & CONSTRUCTION Director is to ensure that a request for encumbrance authorization and release has been transmitted to the BOG in accordance with Florida State Statute 1013.31(2)(a,b).
 - ◆ Submit to the Administrative Assistant in the Office of the EXECUTIVE DIRECTOR for Facilities Management the following documentation:
 - a) GMP recommendation transmittal (**Attachment "A"**)
 - b) A/E recommendation letter to accept the Guaranteed Maximum Price Proposal (GMP)
 - c) CM's Guaranteed Maximum Price Proposal (GMP)
 - d) Request release of funding money from BOG.
 - e) Copy of approved project COIP (most recent)
 - f) Calculations for liquidated damages are formulated as follows:

$$\text{daily interest cost} = \frac{\text{GMP amount} \times .07}{365 \text{ days}}$$
 - g) Affidavit from the CM stating that all hourly rates included in the GMP Documents are the actual rates for the personnel who will be working on the project, and that should the CM change personnel, the adjusted rate will never exceed the hourly rate stipulated in the GMP Document, but will be adjusted if the new personnel rate is lower. In addition, CM shall provide a spreadsheet detailing the position & name, total project hours, labor burden rate and total labor cost for each proposed employee, from which invoicing shall comply. An example is shown in (**Attachment "B"**).

- EXECUTIVE DIRECTOR FOR FACILITIES MANAGEMENT/ ADMINISTRATIVE ASSISTANT/**
- ◆ Prepare the GMP Amendment cover memo from the EXECUTIVE DIRECTOR to General Counsel for review and approval.
 - ◆ Upon EXECUTIVE DIRECTOR signing memo, transmit draft Amendment to Office of General Counsel and contact General Counsel to expedite review and obtain signatures on Amendments.
 - ◆ Transmit a copy of the Amendment, CM's original contract, and insurance documents to University Risk Manager for review and approval
 - ◆ Upon receipt of Amendments from General Counsel, transmit all (5) original Amendments and five (5) sets of FAU's base Performance & Payments Bonds to the CM for execution.

Issued By:	Date Issued: 4/2001	Date Revised: 1/2011	Effective Date: 4/2001
APPROVED:	Vice President	Executive Director	N/A Director

**UNIVERSITY RISK
MANAGER**

- ◆ Reviews documents for compliance according to CM's contract.
- ◆ If approved, Risk Manager will forward an approval letter with insurance documents to EXECUTIVE DIRECTOR's Administrative Assistant.

**EXECUTIVE
DIRECTOR FOR
FACILITIES
MANAGEMENT**

- ◆ Upon receipt of executed Amendments from the CM, transmit five (5) executed Amendments with a cover memo from the EXECUTIVE DIRECTOR to the University President for final execution.

**ADMINISTRATIVE
ASSISTANT**

- ◆ Upon receiving the (5) executed Amendments from the University President date all Amendments the date that the President signed.
- ◆ Prepare Notice to Proceed (NTP) letter for EXECUTIVE DIRECTOR's signature. The effective date of the NTP is the date of the NTP letter.
- ◆ Verify and obtain approval letter from the University Risk Manager for CM's insurance documents.
- ◆ Transmit NTP letter with one (1) executed Amendment and one (1) set of approved insurance documents to the CM.
- ◆ Distribute remaining executed Amendments to the following:
 - a. EXECUTIVE DIRECTOR – 2 originals
 - b. FP – 1 original
 - c. Controller - 1 original
 - d. Purchasing – 1 original
 - e. University Risk Manager – 1 copy
- ◆ Distribute approved bonds and insurance documents to the following:
 - a. EXECUTIVE DIRECTOR – 2 original
 - b. FP – 1 original
 - c. Controllers – 1 copy
 - d. University Risk Manager – 1 copy

ATTACHMENT

- ◆ *Guaranteed Maximum Price Recommendation Transmittal - Attachment "A"*
- ◆ *Labor Overhead Costs – Sample of detail to be provided in GMP & CM invoices- Attachment "B"*

OFFICE OF THE EXECUTIVE DIRECTOR FOR FACILITIES MANAGEMENT

GUARANTEED MAXIMUM PRICE RECOMMENDATION

TRANSMITTAL

PROJECT NO: _____

PROJECT TITLE: _____

PROJECT MANAGER CHECKLIST

- _____ 1. CM's Guaranteed Maximum Price (GMP) Proposal Dated: _____
2. Calculations for Liquidated Damages in accordance with EXECUTIVE DIRECTOR Policy & Procedure #16
- _____ 3. A/E Recommendation Letter to accept the GMP
- _____ 4. Copy of Approved COIP (most recent)
- _____ 5. Affidavit from CM stating that all hourly rates included in the GMP Documents are the actual rates for the personnel who will be working on the project, and that should the CM change personnel, the adjusted rate will never exceed the hourly rate stipulated in the GMP document, but will be adjusted if the new personnel rate is lower.

FACILITIES MANAGEMENT SENIOR ACCOUNTANT

- _____ 6. Encumbrance Authorized for Project Funds
(has been requested _____), (is authorized _____)

DESIGN & CONSTRUCTION DIRECTOR

The above items have been reviewed and DESIGN & CONSTRUCTION recommends the acceptance of the enclosed GMP for the above project.

Director of DESIGN & CONSTRUCTION (Signature)

Date: _____

ATTACHMENT "A"

**LABOR OVERHEAD COSTS
SAMPLE OF DETAIL TO BE PROVIDED IN GMP AND CM INVOICES**

FOR EXHIBIT PURPOSES ONLY								
(1) DETAIL SHOWN IN GMP								
	Labor Type/Position	Employee Name	Total Project Hours	Hourly Base Rate	Labor Burden Rate	Total CM Labor Costs		
	Superintendant	John Brown	2000	\$ 55.00	1.60	\$ 176,000.00		
	Manager	Tom Smith	2000	\$ 50.00	1.60	\$ 160,000.00		
	Supervisor	Peter Jones	2000	\$ 45.00	1.60	\$ 144,000.00		
	Secretary	Mary Johnson	500	\$ 25.00	1.60	\$ 20,000.00		
	Total					\$ 500,000.00		
(2) DETAIL SHOWN IN CM INVOICES								
	Labor Type/Position	Employee Name	Total Project Hours	Hourly Base Rate	Labor Burden Rate	Total CM Labor Costs		
	Superintendant	John Brown	160	\$ 55.00	1.60	\$ 14,080.00		
	Manager	Tom Smith	160	\$ 50.00	1.60	\$ 12,800.00		
	Supervisor	Peter Jones	160	\$ 45.00	1.60	\$ 11,520.00		
	Secretary	Mary Johnson	40	\$ 25.00	1.60	\$ 1,600.00		
	Total					\$ 40,000.00		
(3) EXAMPLE OF LINE IN SCHEDULE OF VALUES								
Item	Description	Scheduled Value	Previous work	Work this invoice	Total Completed	% Complete	Balance to Finish	Retainage Value
1	CM Labor Fee	\$ 500,000.00	\$0.00	\$ 40,000.00	\$ 40,000.00	8.00%	\$ 460,000.00	\$ 4,000.00

ATTACHMENT "B"