

CM/GC Focus Group

The CM/GC Focus Group has considered three options for modifying the determination of the Preconstruction Services Fee and presents these to the QIC Task Force for consideration.

1. Preconstruction Services Fee is submitted in a separate envelope:

- The Preconstruction Services Fee is submitted in a separate envelope than the Construction Fee and General Conditions.
- This envelope is not opened until after the award is approved by the State Building Commission.
- The Preconstruction Services Fee envelope for the selected CM/GC would then be opened by the awarding Agency and the Agency would either approve the requested fee, or if the quoted fee is deemed to be unacceptable to the Agency, the Agency and the CM/GC would enter into negotiations to see if a compromise fee could be agreed upon.
- Should the Agency and the CM/GC not be able to reach a mutually agreeable amount, the Agency would then excuse the selected bidder, and move on to the second rated CM/GC.

(Questions—do you get the State Building Commission to approve two CM/GC’s so the Agency has the option of negotiating with the second bidder without going back to the State Building Commission? Does the Agency ever open the Preconstruction Services Fee envelopes of the unsuccessful proposers or simply return them unopened?)

2. RFP document publishes a Preconstruction Services Fee with a low to high range:

- The State Agency issuing the RFP, publishes in the RFP document a low to high range for the Preconstruction Services Fee based upon the dollar value of the project, the complexity of the project, the duration of the preconstruction services phase, the status of the design at the time of anticipated award, and a listing of services required of the CM/GC.
- The CM/GC acknowledges within its cost proposal that it will accept a Preconstruction Services Fee within the stated range.
- Upon selection of the CM/GC and approval by the State Building Commission, the Agency enters into negotiations of the Preconstruction Services Fee within the published range.

3. Eliminate Preconstruction Services Fee from the Required Cost Proposal and Negotiate After Award:

- The Preconstruction Services Fee would be eliminated from the required Cost Proposal.
- After selection of the CM/GC by the Agency and approval by the State Building Commission, the Agency and the CM/GC would enter into negotiations to determine the Preconstruction Services Fee.
- The CM/GC would propose the man hours required by the staffing presented in the Technical Proposal and would justify its billing rates for these individuals.
- The Agency and the CM/GC would then negotiate the Fee based on agreed upon man hours and rates. This Fee could be a “not-to-exceed” or a lump sum.

(The State may want to establish before implementing this approach exactly what is included in the Direct Personnel Expense rates and an overhead multiplier which can be applied to the rates.)