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| C:\Users\wbhun\Pictures\GCPS Logo Seal.png | **Supplemental Attachment No. 4** | GCS | GADSDEN  COUNTY  SCHOOLS |

**PROCEDURE IMPLEMENTING BOARD POLICY 6320**

GENERAL CONDITIONS OF A GUARANTEED MAXIMUM PRICE CONTRACT.

**PART 1 – SUMMARY**

* 1. A GMP Contract is cost plus where the Construction Manager is reimbursed for actual cost incurred plus an agreed-upon fee.
  2. General Conditions are things that the Construction Manager provides that are not specifically listed in the construction documents but must take place in order to fulfill the terms of the contract.
     1. They are broken down into three different categories:
        1. General Conditions
        2. Overhead
        3. Profit
  3. Prior to the start of each project, the General Conditions shall be reviewed and adjusted as required to fit specific project needs and stay current with laws and standards.

**PART 2 – GENERAL REQUIREMENTS**

* 1. **General Conditions:** General Conditions are the on-site expenses that are reimbursable such as supervision, permit fees, site safety expenses, miscellaneous cleanup, security and on larger projects, site office and storage trailers. Only onsite personnel and equipment will be considered in General Conditions.
     1. Equipment and Service costs shall be supported by invoices attached to each pay application. This includes cell phones and truck costs.
     2. GCS’ Allowable Labor Burden Form shall be used to establish Labor Burden prior to signing the contract between CM and Owner. Labor burden shall be negotiated individually for each on-site employee. It shall be demonstrated each pay application for all CM personnel stationed on site. Time sheets shall be included as additional support.
     3. General Conditions shall not include any profit.
     4. All backup documentation must equal the General Conditions line total on the continuation sheet of each pay application.
  2. **Overhead:** Overhead is the administrative duties that are not specifically listed in the construction documents but must take place in order to fulfill the terms of the contract. They’re usually off-site personnel that would include the project manager, estimator, principals, project engineers, bookkeeping, and administrative personnel.
     1. Overhead is a negotiated percentage figured in with the allowable profit.
  3. **Profit:** Profit is the allowable percentage over the cost of work negotiated prior to execution of the contract.
  4. **Overhead & Profit:** The percentage for overhead and profit shall be calculated as one number. This shall be written and recorded with the contract.

**PART 3 – LABOR BURDEN FORM**

Labor burden is the cost to a company to carry their labor force aside from salary actually paid. Simply stated, burden is the benefits and taxes that a company must or chooses to pay on their payroll.

All parties shall agree upon a percentage rate for labor burden reimbursement. It shall be the actual cost of labor and should not include any mark-up or profit to the contractor. Burden will be established prior to signing the contract and shall become part of the contract. All claims to burden shall require backup documentation from the service provider substantiating percentages requested. Each Contractor employee working on the project shall have their Labor Burden figured individually.

Unless noted otherwise, the Labor Burden Table shown below will be utilized and the Owner’s Allowable Labor Burden Form signed by both Owner and Contractor.



***Signatures below indicate the labor burden has been reviewed by both Owner and Contractor and approved. It shall remain in effect for the duration of the contract.***

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*Owner’s Signature Date*

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*Contractor’s Signature Date*