Construction Management at Risk Fee Guidelines

School Planning 101 Workshop
February 13, 2009

Workshop Outline

• Introduction
• Outline the CM@Risk Fee Guidelines Study Objectives
• Demonstrate the new CM@ Risk Fee Guidelines tool
Introduction
New CM@ Risk Fee Guidelines

- In November 2007 the Treasure Coast area Facilities Directors began meeting to share information and develop mechanisms to share construction cost data within the area.
- In early 2008 the Treasure Coast area Facilities Directors asked Osterhaus & Associates to develop a Construction Manager at Risk Fee Guideline.

Objective

- The objective of this study was to gather CM@Risk Contract documents for review and develop an electronic fee template.
- The fee template was to function similar to the Florida Department of Management Services Architectural/Engineering fee guideline.
- The end product would be a tool that will calculate the probable CM Fees for a specific project to assist District’s when negotiating CM@Risk fees.
Study Criteria

- GMP’s were solicited from Treasure Coast area school district’s as well as other school districts and higher educational institutions.
- The GMP’s were grouped by type - K-12: Elementary, Middle and High or Higher Ed and by new construction or renovation.

Approach

- The goal was to gather at least 30 contract documents including the guaranteed maximum price (GMP).
- This process took several months with the commitment of 19 educational institutions covering k-12, colleges and universities.
- Eventually 41 GMP’s and related contract documents were received and tabulated.
Approach

• The 41 Projects range in guaranteed maximum price from $322,920 to $74,544,734.

Cost Categories Evaluated

• Preconstruction Services
• CM Management Fee
• General Requirements/ Conditions
• Overhead/Profit/General Expense
• General Liability
• Builders Risk
• Bond
• Contingency
41 GMP Average Costs

- Builders Risk Insurance, 0.0003
- General Liability Insurance, 0.0003
- Contingency, 2.07%
- Construction Management Phase Fee, 2.38%
- Preconstruction Fee, 0.0036
- Division 1 - General Requirements/General Conditions, 3.58%
- Direct Cost for Construction, 0.8499

Treasure Coast Area Costs

- Direct Cost for Construction, 33.54%
Martin GMP Average Cost

Construction Manager at Risk Fee Guideline Tool

CM at Risk Calculation2.xls
Outcomes

• The Treasure Coast district’s have agreed to continue to send their GMP and related contractual documents to Osterhaus and Associates for updating of the tool over time.

Questions??

• Thank You!