

Avoiding the Pitfalls of GMP Contracting

Teleconference

Date: February 4, 2010
Start Time: 1:00PM Eastern Time
Length: 90 minutes

As owners have searched for project delivery systems that reduce the duration from project conception to project completion, one of the most common approaches has included the use of guaranteed maximum price, or GMP, contracts. However, as the use of these contract formats has proliferated, so have disputes that strongly suggest that the parties using them do not fully understand: (a) the differences between GMP contracts and the contracts that the users are used to working under, or (b) the risks that are inherent to this delivery system.

This teleconference is designed to highlight those differences and alert you to the unique risks of using this format. This program will be presented in a simple and straightforward manner by professionals with years of hands-on experience in the negotiation, drafting and administration of GMP contracts. Topics will include in-depth description and analysis of the five components of a GMP and why it is so important to fully understand how each is defined and the conditions that apply to the payment of each component; the four phases of work that are typical when working under a GMP format, and the things to do and not do during each of these phases; tools for monitoring the risks that are unique to GMP contracts; what a change is under a GMP contract and how it is different than changes under other contracts; and how you need to change your standard subcontracts when you are working on a GMP project - are subcontractors really bound to the prime as the prime is bound to the owner?

Learning Objectives:

You will be able to explain the differences between GMP contracts and other contracts.
You will be able to describe the four phases of work that are typical when working under a GMP format.
You will be able to define what a change is under a GMP contract.

Agenda:

Components of a GMP
Chronology of Performance
Management Reports
Increases and Decreases in the GMP

Faculty: Richard E. Burnham, Esq. – Trauner Consulting Services, Inc.

Experience with the many avenues of construction has included diverse positions such as construction group counsel for a major international contractor whose \$1 billion annual revenue included major building and heavy construction projects for both public and private clients
Consultant on major contract disputes throughout the United States
Lecturer on litigation avoidance, construction claims and critical path method scheduling
Adjunct professor at a highly regarded engineering college
Contracts negotiated and drafted include some of the largest design-build, development and design-build-operate-and-maintain projects in the country
Helped sureties and insurers manage risks and minimize losses, and has played a major role in several due diligence reviews relating to acquisitions and takeovers
Helped structure, manage and administer numerous completion contract scenarios
B.A. degree in economics, Georgetown University
J.D. degree, Villanova University School of Law

Continuing Education Units

AIA

CC

CLE (Please check the "Detailed Credit Information" page for states that have already been approved)

ENG

PMI

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