





11. Proposed GMP

We have provided our Guaranteed Maximum Price (GMP) breakdown on Form F, Price Proposal Cost Estimate. Following this breakdown, we have included our GMP summary. We have also provided a sample change order template.

Proposer: Sellen Construction Co., Inc.
 Date: 2/20/2014

Price Proposal Cost Estimate

	Qty	Unit	Labor including burden	Materials	Equipment	Purchase Order / Subcontract	Total
A. Substructure							
A10 Foundations							
A1010 Standard Foundations							831,335.00
A1020 Special Foundations							988,345.00
A1030 Slab on Grade							47,125.00
A20 Basement Construction							
A2010 Basement Excavation							1,780,085.00
A2020 Basement Walls							775,045.00
B. Shell							
B10 Superstructure							
B1010 Floor Construction							6,175,830.00
B1020 Roof Construction							1,576,517.00
B20 Exterior Enclosure							
B2010 Exterior Walls							1,737,230.00
B2020 Exterior Windows							4,670,062.00
B2030 Exterior Doors							44,785.00
B30 Roofing							
B3010 Roof Covering							1,337,469.00
B3020 Roof Openings							<i>Included Above</i>
C. Interiors							
C10 Interior Construction							
C1010 Partitions							2,350,000.00
C1020 Interior Doors							973,697.00
C1030 Fittings							203,098.00
C20 Stairs							
C2010 Stair Construction							224,390.00
C2020 Stair Finishes							368,652.00
C30 Interior Finishes							
C3010 Wall Finishes							439,725.00
C3020 Floor Finishes							794,664.00
C3030 Ceiling Finishes							933,970.00
D. Services							
D10 Conveying Systems							
D1010 Elevators & Lifts							917,752.00
D20 Plumbing							
D2010 Plumbing Fixtures							700,000.00
D2020 Domestic Water Distribution							<i>Included Above</i>
D2030 Sanitary Waste							<i>Included Above</i>
D2040 Rain Water Drainage							<i>Included Above</i>
D2090 Rain Water Harvesting Systems							<i>Included Above</i>
D2090 Other Plumbing Systems							<i>Included Above</i>
D30 HVAC							
D3010 Energy Supply							7,850,000.00
D3015 Geothermal Systems							<i>Included Above</i>
D3020 Heat Generating Systems							240,000.00
D3030 Cooling Generating Systems							<i>Included Above</i>
D3040 Distribution Systems							<i>Included Above</i>
D3050 Terminal & Package Units							<i>Included Above</i>
D3060 Controls & Instrumentation							784,165.00
D3070 Systems Testing & Balancing							<i>Included Above</i>
D3090 Other HVAC Systems & Equipment							<i>Included Above</i>

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	Qty	Unit	Labor including burden	Materials	Equipment	Purchase Order / Subcontract	Total
D40 Fire Protection							
D4010 Sprinklers							912,000.00
D4010 Fire pump							<i>Included Above</i>
D4020 Standpipes							<i>Included Above</i>
D4030 Fire Protection Specialities							<i>Included Above</i>
D4040 Other Fire Protection Systems							<i>Included Above</i>
D50 Electrical							
D5010 Electrical Service & Distribution							2,998,419.00
D5020 Lighting & Branch Wiring							2,455,145.00
D5030 Communication & Security Systems							956,987.00
D5031 Public Address & Music Systems							-
D5032 Intercom & Paging Systems							-
D5033 Telephone Systems							-
D5034 Call Systems							-
D5035 Televisions Systems							-
D5036 Clock & Program Systems							-
D5037 Fire Alarm Systems							428,951.00
D5038 Security & Detection Systems							363,000.00
D5039 Local Area Networks							-
D5040 Distributed Antenna Systems							150,000.00
D5041 Audio-Visual Systems							69,000.00
Owner Provided AV Allowance							-
D5090 Other Electrical Systems							49,657.00
D5091 Grounding							<i>Included Above</i>
D5092 Emergency Power Systems (emerg ltg to be included in D5020)							-
D5092 UPS Systems							-
E. Equipment & Furnishings							
E10 Equipment							
E1010 Commercial Equipment							-
E1020 Institutional Equipment							-
E1030 Vehicular Equipment							9,422.00
E1040 Other Equipment							22,118.00
E20 Fixed Furnishings							
E2012 Fixed Casework							291,905.00
E2013 Blinds and Other Window Treatment							86,400.00
F. Special Construction & Demolition							
F10 Special Construction							
G. Building Sitework							
G10 Site Preparation							
G1010 Site Clearing							12,915.00
G1020 Site Demolition & Relocation							350,000.00
G1030 Site Earthwork							90,152.00
G1040 Hazardous Waste Remedation							175,000.00
G20 Site Improvements							
G2010 Roadways							105,250.00
G2020 Parking Lots							-
G2030 Pedestrian Paving							485,826.00
G2040 Site Development							<i>Included Above</i>
G2050 Landscaping							297,105.00
G30 Site Civil/Mechanical Utilities							
G3010 Water Supply							19,320.00
G3020 Sanitary Sewer							43,705.00
G3030 Storm Sewer							<i>Included Above</i>
G3040 Heating Distribution							-

PROPOSAL FORMS

Price Prop

Proposer: Sellen Construction Co., Inc.
 Date: 2/20/2014

Price Proposal Cost Estimate

	Qty	Unit	Labor including burden	Materials	Equipment	Purchase Order / Subcontract	Total
G3050 Cooling Distribution							-
G3060 Fuel Distribution							-
G3090 Other Site Mechanical Utilities							Included Above
G40 Site Electrical Utilities							
G4010 Electrical Distribution							341,101.00
G4020 Site Lighting							36,000.00
G4030 Site Communications & Security							Included Above
G4040 Other Site Electrical Utilities							86,400.00
Direct Construction Cost Subtotal							47,579,719.00
Z10 General Requirements							
Z1010 Administrative & Quality Requirements (General conditions/Project Management and Coordination)							3,493,844.00
Z1010 BIM							172,000.00
Z1030 Temporary facilities and temporary controls							-
Z1030 Mock-ups							75,000.00
Z1030 Hoisting							796,017.00
Z1040 Closeout							6,000.00
Z1050 Permits, Insurances & Bonds							37,976.00
Permits							Included Above
Use							Included Above
Building (paid by owner)							-
Trade							Included Above
Insurances							
General liability/Professional Liability							700,850.00
Builder's risk/All risk							138,871.00
Bonds							
General contract P&P							492,822.00
Subcontractors P&P							319,257.00
Z1060 Fee							3,414,692.00
Z1070 Business & Occupation Tax							374,005.00
Z20 Contingencies							
Z2010 Contingency							1,183,897.00
Z2020 Escalation							Included Above
Indirect Construction Cost Subtotal							11,205,231.00
Z30 Professional Fees							
Z3010 Preconstruction Services							421,480.00
Z3020 Design Professionals, Basic Services							6,293,570.00
Pre-design							Included Above
Design							Included Above
Construction Administration							Included Above
Z3030 Design Professionals, Extra Services							Included Above
Pre-design							Included Above
Design							Included Above
Construction Administration							Included Above
Z3040 Five year performance guarantee							-
Professional Fees Subtotal							6,715,050.00
Z90 Taxes							
Z9010 Washington State Sales Tax							EXCLUDED
Taxes Subtotal							-
Proposed Guaranteed Maximum Price							65,500,000.00

11 | PROPOSED GMP

Proposer: Sellen Construction Co., Inc.
 Date: 2/20/2014

Price Proposal Cost Estimate

	Qty	Unit	Labor including burden	Materials	Equipment	Purchase Order / Subcontract	Total
List All Percentage Mark-Ups within Proposed GMP							
Labor Burden / Taxes			57%				
Fee			5.50%				
Small Tools			1.50%				
B & O / Excise Taxes			0.571%				
Insurance			1.070%				
Bonding			0.752%				
List all percentages not shown above							
Additional Budget / Pricing Information Requested:							
Design Builder to provide a sample Change Order form indicating all mark-ups, percent add ons to direct costs and subcontractor costs. Outline the methodology for change order pricing							
Design Builder to provide a hourly rate sheet that distinguishes between construction labor, subcontracting labor and design consulting labor indicating markups, labor taxes and any fees.							

GMP Summary

Cost plus fee with a guaranteed maximum price is a very common contract form for Sellen and, as such, we are accustomed to the cost controls and management of GMP contracts. We have extensive in-house estimating experience and can provide confidence to the owner that the scope proposed can be achieved within the budget.

Fees for Construction

For the 1063 Block Replacement project, we propose a fixed fee of 5.5% of the estimated costs of the Guaranteed Maximum Price. Our fee will be applied to Sellen's reimbursable costs, including design consultants, subcontractors, suppliers, and all self-performed work.

Change Orders

Changes will bear the same fee as that quoted for construction, 5.5% of the estimated cost of the work. Subcontractor requested change orders will be handled firmly, but fairly. Each request will be thoroughly analyzed for validity and appropriateness before conducting a detailed analysis of the estimated work quantities and unit prices. Sellen will verify that change order estimates are based on reasonable productivity rates, as well as acceptable industry pricing. In specialty areas, like mechanical, electrical, or other highly technical work, we will confer with design consultants to confirm our findings.

Labor Rates

We have listed the labor rates for Sellen Construction personnel on the following sheet. It is anticipated that all consultants will have lump sum agreements and will invoice based upon percent complete basis.

Labor Burden

We propose charging a fixed labor burden of 57% on the 1063 Block Replacement project based upon the tax rates and caps in effect during the period of construction. This burden applies to all field labor.

Reimbursables

All direct costs of labor and materials, taxes, and insurance will be charged to the project at cost except as noted below.

Sellen-Owned Equipment Rental

Sellen has an extensive array of small- to medium-sized construction equipment available for use on the 1063 Block Replacement. Sellen's rental rates are maintained at or below rates available in the local market. Rental periods commence on the day the equipment is sent to the job and terminate the day the need or use for the equipment has ended. For your project, we will cap our rental costs at 100% of the equipment replacement cost. Overall rental costs for Sellen equipment are lower than an outside vendor as renting our equipment is not subject to sales or use tax. A full list of Sellen rental equipment is available upon request.

Small Tools

We will charge 1.5% of burdened field labor to cover the cost of small tools. Small tools are otherwise non-reimbursable.

Insurance

Sellen's insurance program conforms to the requirements of the RFP and our contract comments. Our insurance rate will be calculated at 1.07% of the cost of the work. The cost of Builder's Risk coverage is included in the GMP based upon the estimated cost of construction.

Warranty Reserve

Per Paragraph 5.5.23 of the contract, an escrow account will be established to cover the cost incurred after final completion. We propose to carry \$125,000 in our GMP to fund this escrow account.

Contractor Bonding.

Based upon a project value of \$65,500,000, the cost for bonding will be \$493,898 or 0.75% of the contract sum and will be due in our first construction billing. A percentage will be added to all change orders to cover the additional cost of additional coverage.

Subcontractor Bonding

Selective bonding may be necessary and standard bid invitations will include alternate quotes for project-specific bonding. Sellen will review all bid packages and make bonding recommendations to the project team prior to final awards. To cover the cost of the subcontractor bonds, Sellen will include an amount within the GMP.

Sellen has developed solid working relationships with hundreds of subcontractors in a variety of trades. As part of our default risk mitigation strategy, we undergo a thorough review of our subcontractors' financial statements prior to awarding any significant subcontracts. Our process includes:

- Reviewing audited financial statements including footnotes.
- Analyzing interim internal statements.
- Examining current accounts receivable aging.
- Comparing yearly benchmark trends for similar trades and size organizations.
- Verifying banking and insurance details and contacts.

- Talking with insurance agents about bonding rates and capacity, and with banks regarding creditworthiness.
- Reviewing quality of receivables, debt loads, and credit reports.

Once subcontractors have been qualified and awarded the job, we ask them to provide information on subcontractors and major vendors (sub-tiers) and update it on a monthly basis. This helps manage the appropriate lien waivers they should be receiving and expedites progress and/or retention payments throughout the job. If we notice that a sub-tier has a large unpaid balance, we follow up with the subcontractor. Every effort is made to guarantee that our subcontractors can meet the same high standards that our clients expect of Sellen.

Retention

Retention will be held on all subcontractors performing work. Sellen will deduct the amount of retention that is being held from the monthly billing. Sellen may request release of retention for selected subcontractors who complete their work early in the project. Sellen proposes that the owner only hold 5% of the first 50% of our billing total after the design fees have been deducted. Payment will be made at final completion. Per Addendum No. 6, no retention will be withheld on the design portion of the billing.

2014 Sellen Rate Schedule

The following rates shall be charged for the 1063 Block Replacement project:

Principle-in-Charge	\$No Charge/hr
Senior Project Manager	\$165/hr
Project Manager	\$140/hr
Field Manager	\$100/hr
Preconstruction Services Manager	\$175/hr
Sustainable Initiatives Manager	\$135/hr
Chief Estimator	\$175/hr
Senior Estimator	\$145/hr
Estimator	\$95/hr
Mechanical Systems Specialist	\$145/hr
Building Information Modeling Support	\$130/hr
General Superintendent	\$175/hr
Project Superintendent	\$150/hr
Constructability Reviewer/Scheduler	\$150/hr
Risk Manager	\$120/hr
Safety Manager	\$100/hr
Environmental Health & Safety Manager	\$150/hr
Sustainable Initiatives Coordinator	\$95/hr
Senior Project Engineer	\$95/hr
Project Engineer	\$85/hr
Field Engineer	\$80/hr
Graphics Coordinator	\$70/hr
Administrative	\$70/hr
IT Support	\$75/hr
IT Administrator	\$80/hr

The following rates shall be charges for on-site personnel for the 1063 Block Replacement project:

Project Manager	\$115/hr
Senior Superintendent	\$115/hr
Assistant Superintendent	\$90/hr
Field Manager	\$85/hr
Senior Project Engineer	\$75/hr
Project Engineer	\$67/hr
Project Assistant	\$60/hr

All field labor shall be charged at actual rates times the fixed labor burden.

Above rates subject to adjustment on an annual basis.

CHANGE ORDER SAMPLE

GMP Change Order Estimate

PROJECT: **1063 Block Replacement Project**

ITEM: **Alternate #3.0: Tenant Generator**

DATE: **February 20, 2014**



DESCRIPTION	VENDOR	QTY	UNIT	Unit Cost	Total Cost
Design & Engineering					
Consulting Fees	ZGF	1	ls	27,211.40	27,211
Design Manager	Sellen	2	hrs	150.00	300
Estimator	Sellen	4	hrs	95.00	380
Construction					
Added structure, room and pads	Sellen	1	ls	15,000.00	15,000
Fuel Tank Upgrade for extended run time	Mechanical Sub	1	ls	75,000.00	75,000
Upsize Generator(500 to 1000) and distribution	Electrical Sub	1	ls	180,514.00	180,514
VDC Coordinator	Sellen	8	hrs	75.00	600
Field Layout	Sellen Labor	8	hrs	105.00	840
Clean -up	Sellen Labor	4	hrs	40.00	160
Project Requirements					
Staff & Office expenses				-	-
Project Manager		12	hrs	115.00	1,380
Senior Project Engineer		24	hrs	75.00	1,800
Project Superintendent		4	hrs	115.00	460
Office Expenses		1	ls	500.00	500
				Subtotals:	304,145
				Contractors Labor Burden @ 57.00%	456
				Contractor's Small Tools @ 1.50%	12
				Subcontractor Bonds @ 1.0%	2,977
				Estimate Subtotal:	304,613
				B&O Taxes @ 0.571%	1,894
				Insurance Rate @ 1.070%	3,549
				Builders Risk Insurance @ 0.270%	896
				Payment & Performance Bond @ 0.750%	2,488
				Contractor's Fee @ 5.5%	18,243
				Total GMP Change Order Estimate:	331,682

Notes & Clarifications;

- 1 Pricing based upon upsizing generator from 500 to 1000 KVA
- 2 Includes addition of a stand alone fuel tanks to provide extended hours of operation
- 3 Includes separate optional transfer switch which shunt trip optional loads in the event of a concurrent life safety event