

ConsensusDocs™
BUILDING A BETTER WAY

ConsensusDocs Guidebook

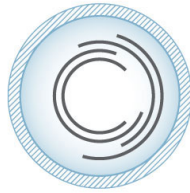
ConsensusDocs 500.1 – Amendment No. 1 to ConsensusDocs 500 Standard Agreement and General Conditions Between Owner and Construction Manager (GMP with Option for Preconstruction Services)

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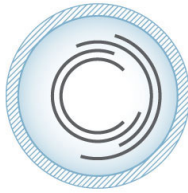
Introduction to the ConsensusDocs Guidebook

ConsensusDocs is the product of leading construction associations, dedicated to identifying and utilizing best practices in the construction industry for standard construction contracts. The more than 40 participating associations represent Design Professionals, Owners, Constructors, Subcontractors, and Sureties that literally spell the DOCS in ConsensusDocs. ConsensusDocs contracts and forms attempt to fairly and appropriately allocate risks to the Party in the position to manage and control the risk. The practices articulated in the documents are forward-thinking, and may not always represent the status quo, but rather a better path forward to achieve project results. The goal of the multi-disciplined drafters was to create documents that best place the Parties to a construction contract in a position to complete a project on time and on budget with the highest possibility of avoiding claims.

By starting with better standard documents that possess buy-in from all stakeholders in the design and construction industry, you reduce your transaction time and costs in reaching a final Agreement. By using fairer contracts helps eliminate unnecessary risk contingencies and thereby better pricing. In addition, “fill-in-the-blanks” are intended to lead to productive discussions about how particular risks should be allocated on specific projects before a contract is finalized.

This Guidebook you will find comments by individual associations regarding particular contract documents. These comments are organized by numeric sequence. Association comments are expressions by an association to its association membership only to highlight issues of particular interest.

Lastly, the ConsensusDocs coalition organizations and ConsensusDocs staff are deeply indebted to the hard work of the many the seasoned professionals who contributed countless hours in the creation of the ConsensusDocs contracts as well as this Guidebook. Their collective experience represents hundreds of years of practical experience in the construction field.



Shared Savings (proposed addition to Article 1 for Amendment 1 to ConsensusDocs 500):

If the final Contract Sum (Cost of the Work plus Construction Manager's Fee) is less than the Guaranteed Maximum Price (as may be adjusted by Amendment or Change Order), such savings ("Savings"), shall be distributed as follows:

- On the first ten million dollars (\$10,000,000) of Savings, eighty percent (80%) shall be retained by Owner and twenty percent (20%) shall be paid to Construction Manager as a Shared Savings Bonus;
- On the next ten million dollars (\$10,000,000) of Savings (i.e., Savings dollars \$10,000,001 through \$20,000,000), seventy percent (70%) shall be retained by Owner and thirty percent (30%) shall be paid to Construction Manager as an increase of the Shared Savings Bonus;
- On the next ten million dollars (\$10,000,000) of Savings (i.e., Savings dollars \$20,000,001 through \$30,000,000), sixty percent (60%) shall be retained by Owner and forty percent (40%) shall be paid to Construction Manager as an increase of the Shared Savings Bonus; and
- On any Savings above thirty million (\$30,000,000) (in addition to the Shared Savings Bonus of \$9,000,000 applicable to the \$30,000,000 in Savings (20% of the first \$10,000,000, plus 30% of the second \$10,000,000, plus 40% of the third \$10,000,000), ninety-six percent (96%) shall be retained by Owner and four percent (4%) shall be paid to Construction Manager as an increase of the Shared Savings Bonus (to reimburse Construction Manager for the diminished Construction Manager's Fee as a result of the additional Savings).

Notwithstanding the foregoing, Construction Manager shall not be entitled to participate in any savings resulting from the actual Cost of the Work for an allowance item being less than the allowance amount for that item or any savings resulting from or associated with scope decreases.