RELTIC VDC

PRE-GMP READINESS REVIEW

Pre-GMP Readiness Review: Project Alpha

ILLUSTRATIVE SAMPLE - FICTIONAL DATA

PREPARED BY

Reltic VDC

DATE

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1. EXECUTIVE SUMMARY

Project Alpha is a 9-story, 180-unit multifamily development with two levels of below-grade parking. The owner asked Reltic VDC to review the GMP package issued by the construction manager before signature. The package is well organized but carries three areas of soft cost and one area of schedule fragility that, left unaddressed, would likely surface as change orders within the first six months on site. The headline GMP of $74.2M includes $6.1M in allowances and $2.9M in clarifications that shift design risk back to the owner. We estimate $3.8M to $5.6M of exposure currently sits outside the contingency, concentrated in below-grade conditions, facade interfaces, and MEP coordination. None of this is unusual. All of it is checkable now, at a fraction of the cost of discovering it during construction.

2. ENGAGEMENT CONTEXT

This review is based on the 90% GMP package: drawings, the CM estimate and basis of estimate, the project schedule, the assumptions and clarifications log, and the allowance and contingency schedule. Reltic VDC was engaged owner-side, two weeks before the scheduled GMP signature. This is an advisory review only. Reltic VDC did not produce design, quantities, or models for the project and does not act as a delivery party. The model is never the deliverable.

3. PROJECT SNAPSHOT

Indicator	Value
Project type	180-unit multifamily, 9 stories
Below-grade	2 levels parking
Proposed GMP	$74.2M
Allowances within GMP	$6.1M (8.2%)
CM contingency	$2.2M (3.0%)
Owner contingency	$3.0M (4.0%)
Clarifications shifting risk to owner	$2.9M
Estimated exposure outside contingency	$3.8M - $5.6M
Scheduled duration	26 months

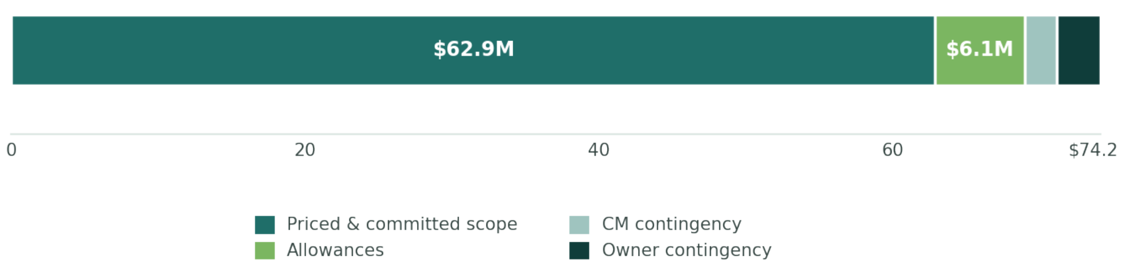

Figure 1. GMP composition. Allowances and contingency carry $11.3M of the $74.2M.

4. READINESS SCORECARD

Cost basis	● AMBER	Estimate is well-structured but allowance-heavy. Several allowances substitute for decisions that could be made now.
Allowances	● RED	Below-grade waterproofing and facade allowances are set below comparable project actuals. High probability of overrun.
Schedule	● AMBER	Critical path runs through long-lead electrical gear with no float. Procurement date is already at risk.
Sequencing	● AMBER	Facade and MEP rough-in overlap on three floors with no defined interface plan.
Constructability	● AMBER	Two structural transfer conditions resolved late. Coordination with MEP not yet closed.
Clarifications	● RED	Several clarifications quietly move design-completion risk to the owner without a corresponding contingency.

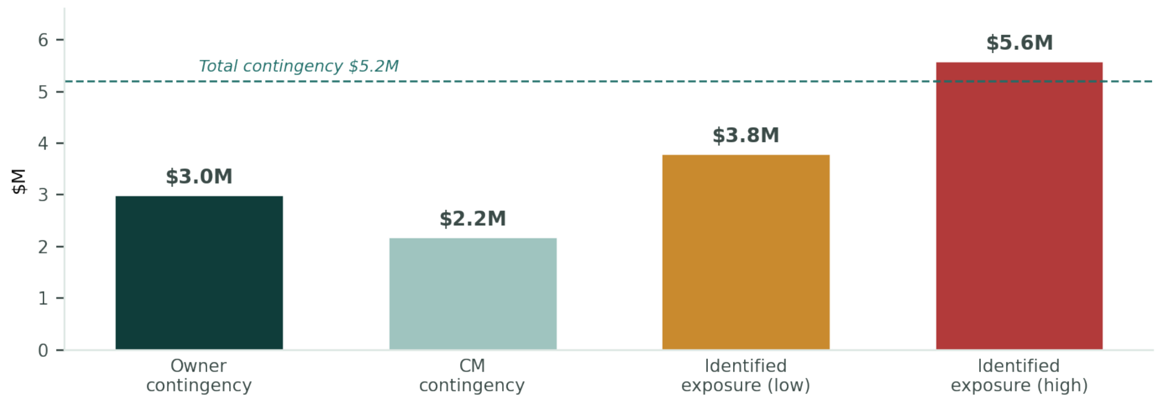

Figure 2. Identified exposure against available contingency. The high case exceeds total contingency.

5. KEY FINDINGS

Cost Basis & Allowances

The estimate is competently assembled, but the allowance load of $6.1M is doing work that priced scope should be doing. Roughly $2.4M of allowances cover items where the design is far enough along to price properly: unit finishes, amenity fit-out, and standard MEP fixtures. Carrying these as allowances rather than priced lines means the number can move in only one direction after signature. We would convert the resolvable allowances to fixed scope before the GMP closes, and ring-fence the genuinely uncertain ones with a defined drawdown mechanism.

Schedule & Sequencing

The 26-month schedule is achievable but has no float on the critical path, which runs through switchgear and generator procurement. The current procurement date assumes a 22-week lead time; recent market lead times on comparable gear have run 30 to 38 weeks. If that holds, the owner is looking at a 6 to 10 week delay that the schedule does not currently absorb. This needs to be tested against live vendor quotes now, not confirmed after the GMP is signed and the date is fixed.

Constructability & Coordination

Facade installation and MEP rough-in are sequenced to overlap on floors 4 through 6 with no interface plan defining who is in the space and when. This is the classic pattern that produces out-of-sequence work, trade stacking, and the change orders that follow. Separately, two structural transfer conditions at the parking-to-tower transition were resolved late and have not been fully coordinated with the MEP distribution running through the same zone. We would close both before signature, while the cost of closing them is a coordination meeting rather than a field fix.

6. WHAT THIS MEANS BEFORE THE GMP

Once the GMP is signed, the owner's leverage drops sharply. Every soft allowance, every uncosted clarification, and every uncoordinated interface becomes a negotiation conducted from a weaker position, usually under schedule pressure. The purpose of this review is to use the two weeks before signature to convert what can be converted, test what can be tested, and price the residual risk honestly into the contingency. The owner does not need a lower number. The owner needs a number that will hold, and a clear view of where it might not.

7. RECOMMENDED ACTIONS

- Convert the $2.4M of resolvable allowances to fixed, priced scope before signature
- Obtain live vendor quotes and lead times for switchgear and generator, then re-test the procurement date
- Require an interface plan for facade and MEP overlap on floors 4 to 6 before the GMP closes
- Close the two structural transfer conditions with MEP coordination before signature
- Re-baseline contingency to carry the $3.8M to $5.6M of identified exposure explicitly, not implicitly
- Add a defined drawdown mechanism for the genuinely uncertain below-grade allowances

8. RELTIC VDC VIEW

> ***A GMP is a promise about a building that does not exist yet, priced on information that is not finished. The job before signature is not to drive the number down. It is to find the places where the number is softer than it looks, and decide, deliberately, who carries each one. On Project Alpha that work is two weeks and a handful of meetings. After signature it is change orders and a harder conversation. The risk did not appear in the field. It was always in the package.***

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