

COGENCE Alliance

Owners + Architects + Engineers + Contractors

Inspire. Educate. Unite.

Cogence GMP Process

13 September 2017

Agenda

- Welcome – Town Hall 10 November 2017
- How have you been an advocate for Cogence mission?
- Recap July Partner Roundtable – Traditional GMP Process Improvements
- Cogence GMP Process Review
- Group Workshop – Process Validation Checklist Development
- Plus/Delta

TOWN HALL

YOU'RE INVITED

November 10, 2017

8am-5pm

Reception to follow

Global Center for
Health Innovation
Cleveland, OH 44114



Join your colleagues in the design and construction community to learn best practices that will transform outcomes, creating successful projects for all.

This one-day event includes:

- Powerful speakers who will help you influence change in your organization
- Interactive breakout sessions designed to help you form strong teams, define project success, and grow as a leader
- A Town Hall Owner Panel with open Q&A
- Networking opportunities with industry colleagues who share your passion for project teaming
- Continental breakfast, three-course plated lunch, and cocktail reception

Visit www.cogence.org/townhall2017 to learn more and register.

Space is limited, so register today!

COGENCEAlliance
Owners+Architects+Engineers+Contractors

ENGAGE ALL. TRANSFORM OUTCOMES. WIN TOGETHER.



Mission + Purpose

Cogence *(Latin)*

“To drive together” or “Thinking that is well organized”

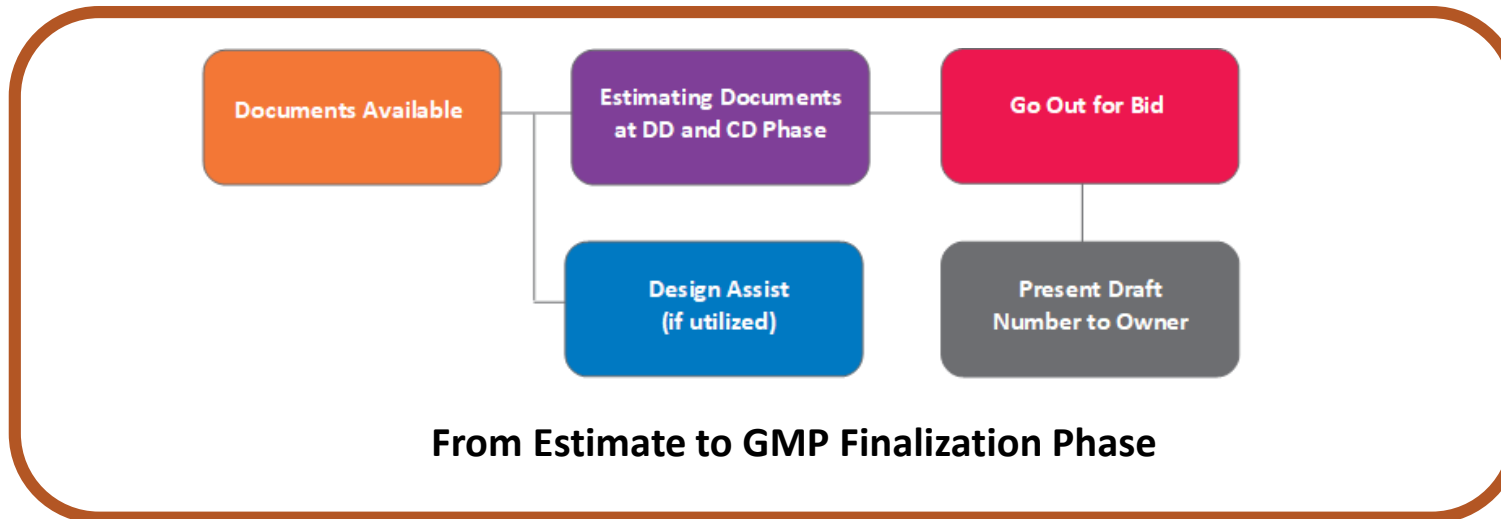
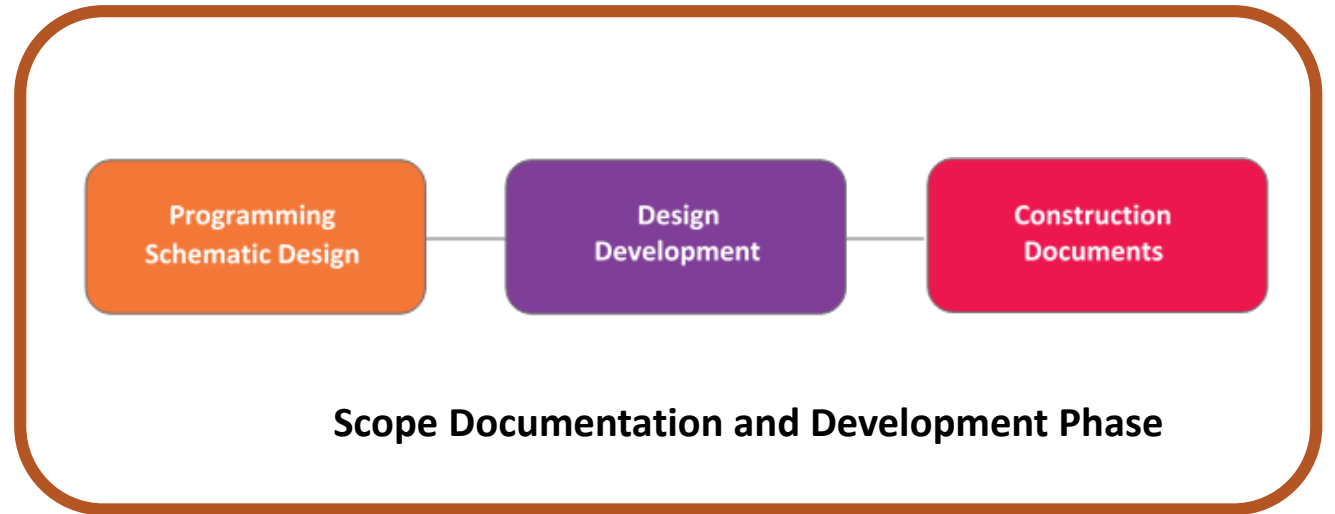
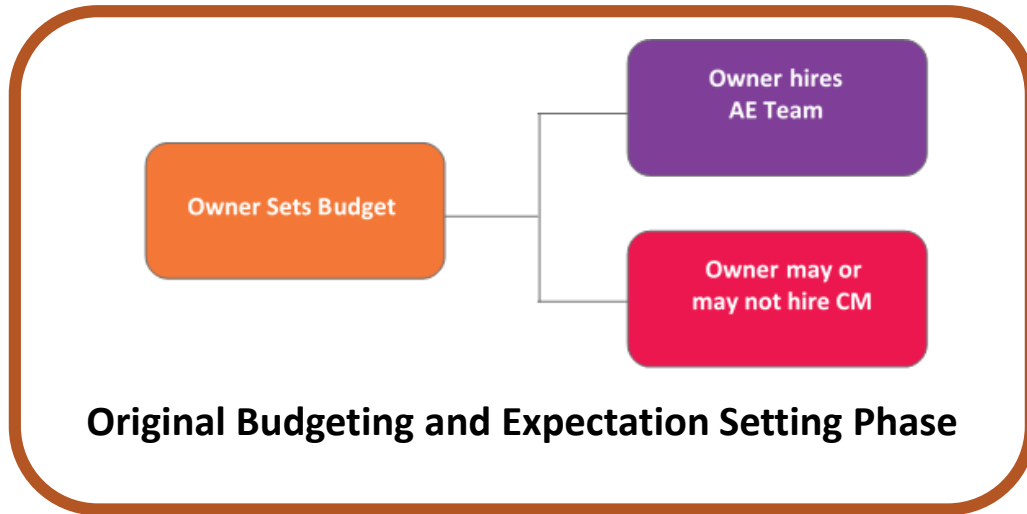
The purpose of the Alliance is to bring Owners and Developers, Architects and Engineers, Construction Managers and Contractors, and Allied Industry Professionals together to **advocate** and be a **resource** for improved project delivery.

For more information visit us at www.cogence.org

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Three Phases to the GMP Process - Typical





What is wrong with the current GMP development process?

- Communication between owner and contractor
- **Clear definition/distinction between "project dev't" and "scope addition"**
- Is risk transfer really there - same fights over change orders
- Free estimating - often times labeled as a bid opportunity but not
- Owner's don't allow CM's to engage design assist subcontractors early enough
- **End user requests later in the process**
- GMP dev't process is often disjointed and siloed
- Value engineering / over-budget / savings dynamic
- Time to complete the design documenting the Owner's desires
- Client understanding on timing and lockdown of the GMP
- CMr taking on early bid risks in significant volatile construction market
- **Designers (and sometimes the owner) want GMP to be more aggressive to allow more flexibility of scope and design money**
- Tension, when items (design time or budget pressure) become overly compressed
- Lack of proper definition of scope and quality during late design stages when GMP is being constructed without drawing support
- CMs burying profits/fees/costs in other categories
- Design assist partners are not fully aware of the savings or budget status
- GMP's are often developed without a full understanding of the scope of work
- Not a good process to track evolution / so it gets confusing
- **Starts late and not enough time to resolve and vet**
- Current process doesn't include the design team
- Some subs and suppliers don't get enough input in the process
- Clients don't want to pay for risk
- CMR provides inflated estimates
- Clear, concise, and complete design intent statements when not drawn are lacking
- **The original conceptual "budget" was flawed**
- Upfront CM and trade collaboration with the architect
- Transparency in CMR GMP process
- Owner, Architects and CMs don't always agree on completeness of the docs
- Control of the Contingency - what is the risk if the documents are 100% CD's?



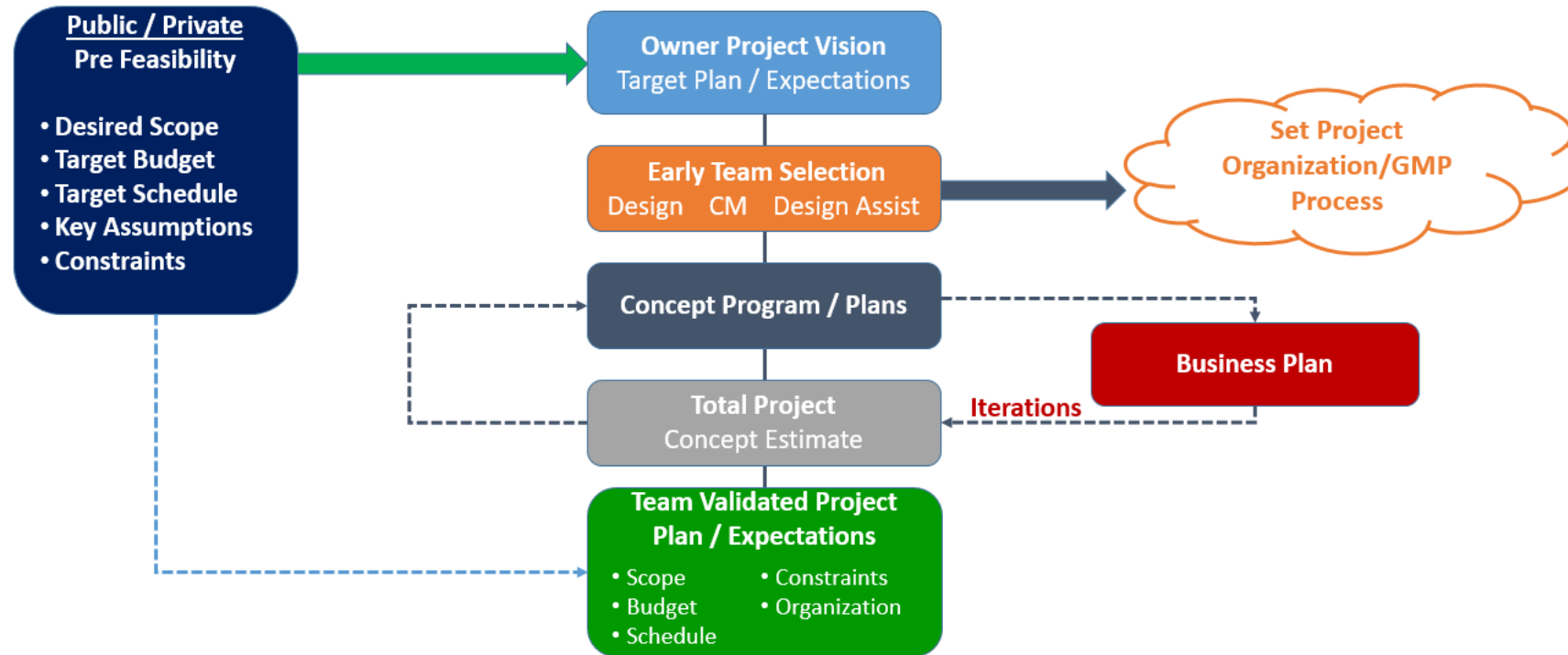
Three Phases to the GMP Process - Workshop

Activity

- Develop and recommend a new Cogence GMP Process.
- Define the most important Cogence interaction in this stage of the process.
- Back check the issues list and determine if the new process reduces the risks identified.



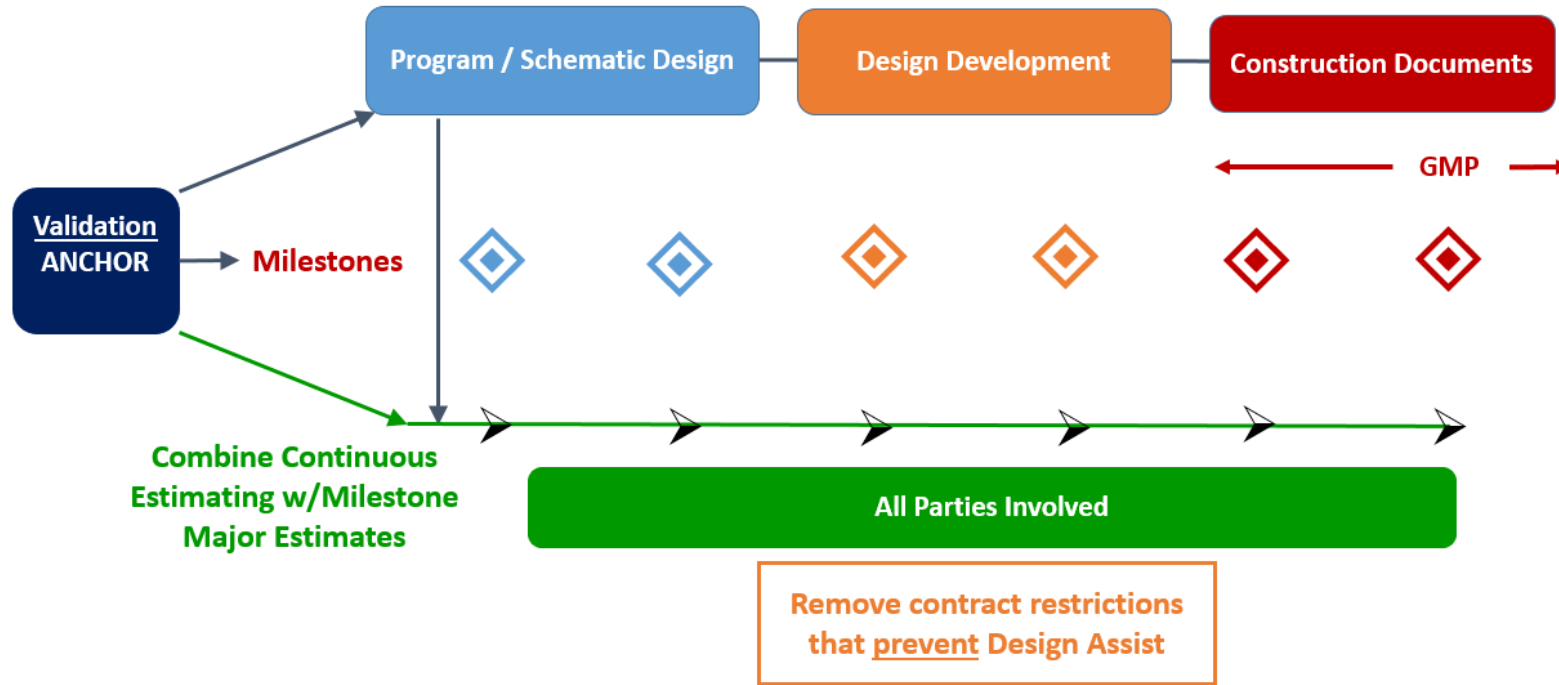
Workshop Outcome:



Updated Original Budgeting/ Expectation Phase



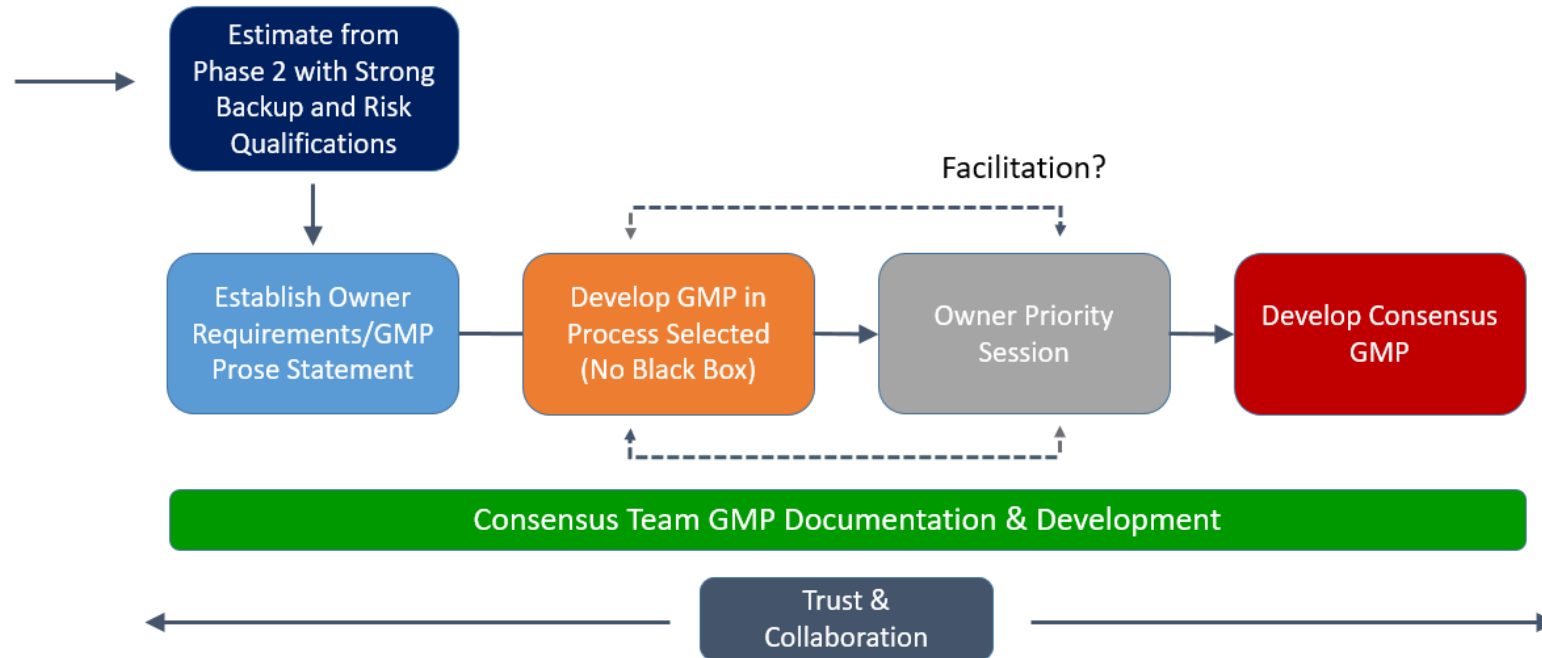
Workshop Outcome:



Scope Documentation and Development Phase



Workshop Outcome:

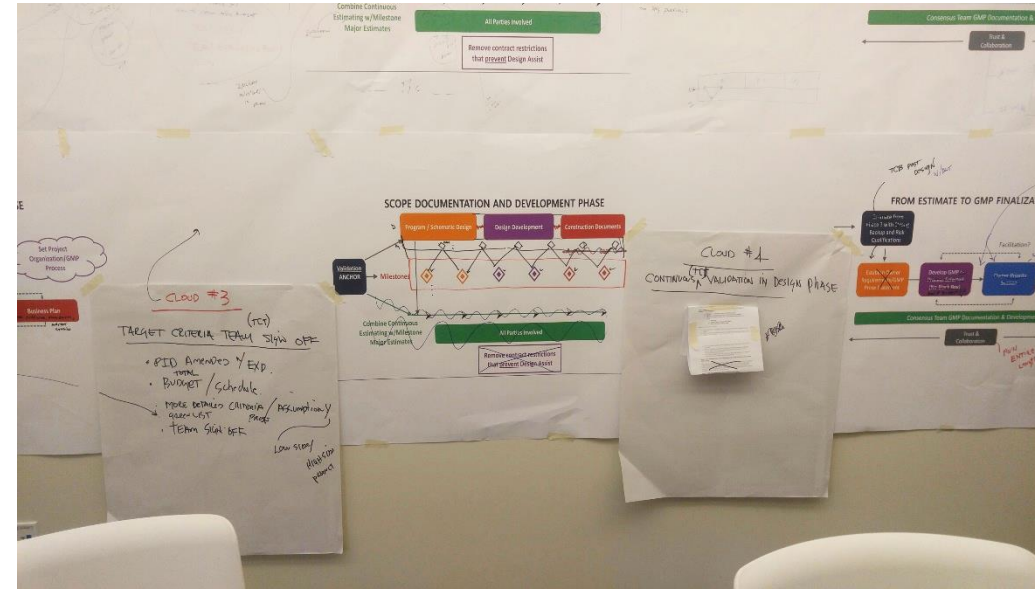


Estimate to GMP Finalization Phase



Developing A Cogence GMP

Small Group Development

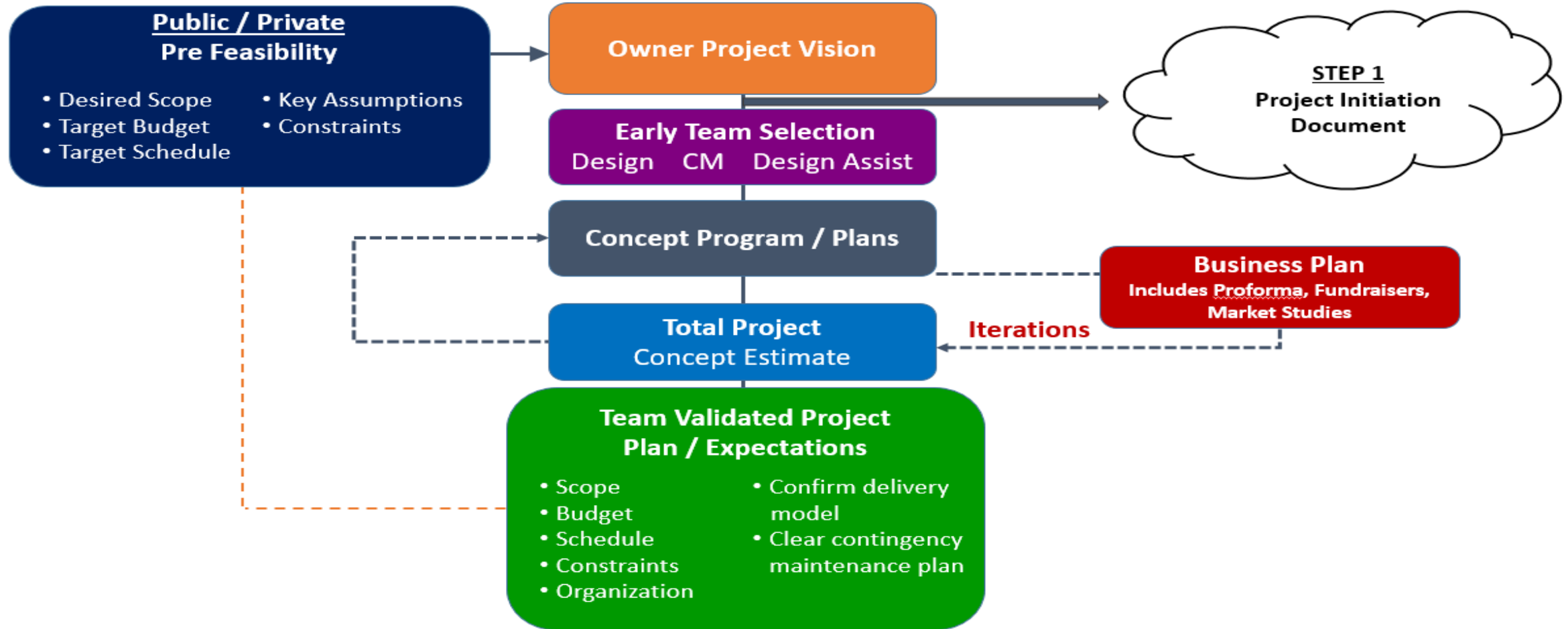


GMP Process

- ◉ **Step 1 – Develop a Project Initiation Document**
- ◉ **Step 2 – Develop a Target Criteria Team (TCT) Sign Off Document**
- ◉ **Step 3 – Continuous TCT Validation during the Design Phase**
- ◉ **Step 4 – Post GMP Scope Review**
- ◉ **Step 5 – GMP Presentation and Acceptance**



A Cogence GMP: Project Origination

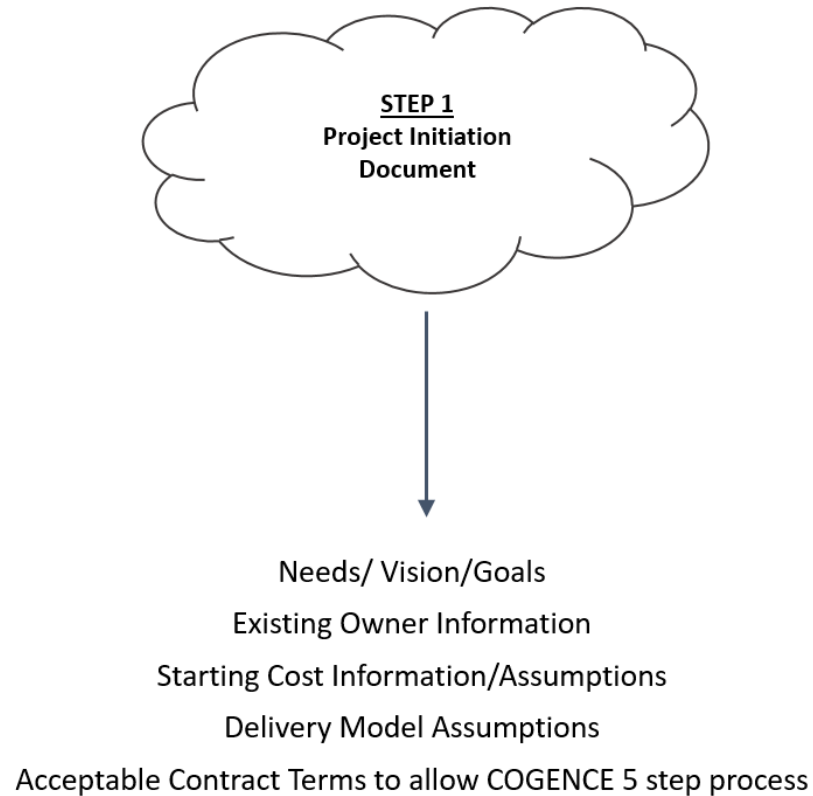


Consensus Team GMP Documentation & Development

Trust & Collaboration



A Cogence GMP: Project Origination





Step 1: Project Initiation Document

Cogence GMP Step 1: Project Initiation Process Validation Checklist

Activity	Completed	If Not Completed – Who Assumes Risk
Scope of Work Documented		
Business Plan Shared		
Contracts in Place Match Cogence Process and Scope		
Early Team Selection:		
Confirm Designers willing to work with Design Assist Trades		
Confirm Construction Manager and Design Assist Trades Willing to Openly Contribute		
Team Qualifications Fully Vetted		
Identify who is the Owner		
Owner's Representative		
Other Specialty – Med Equip – Consider entire team not just D/CA team		
Risk Analysis Complete and Documented		



A Cogence GMP: Continuous Validation → Design

STEP 2
Target Criteria
Team (TCT) Sign Off

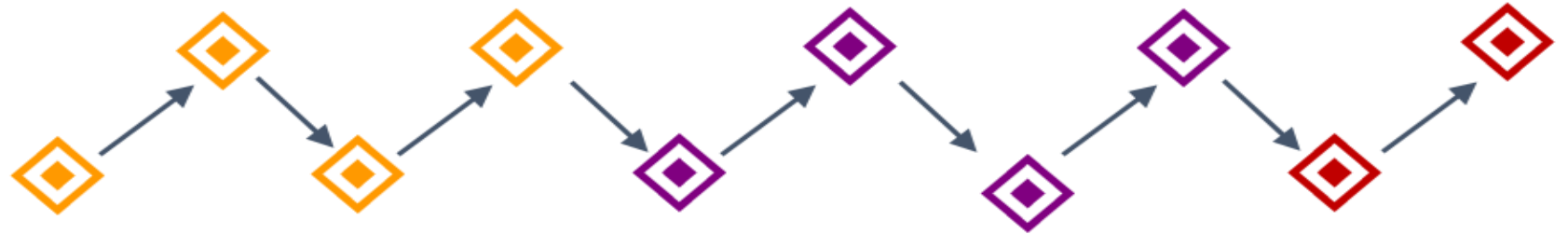
Program / Schematic Design

Design Development

Construction Documents

Normal OAC with CM Liaison reporting

Interface with design assist and cost
validation



Consensus Team GMP Documentation & Development

Trust & Collaboration



A Cogence GMP: Continuous Validation → Design



PID Amended with Team Input
Target Criteria Budget (TCB) includes Total Budget and Schedule with Milestones Documented
Develop and Document Available and Relevant Criteria and Assumptions
Low Side/High Side Project Analysis
List from Green Box in Phase 1
Team Sign-off



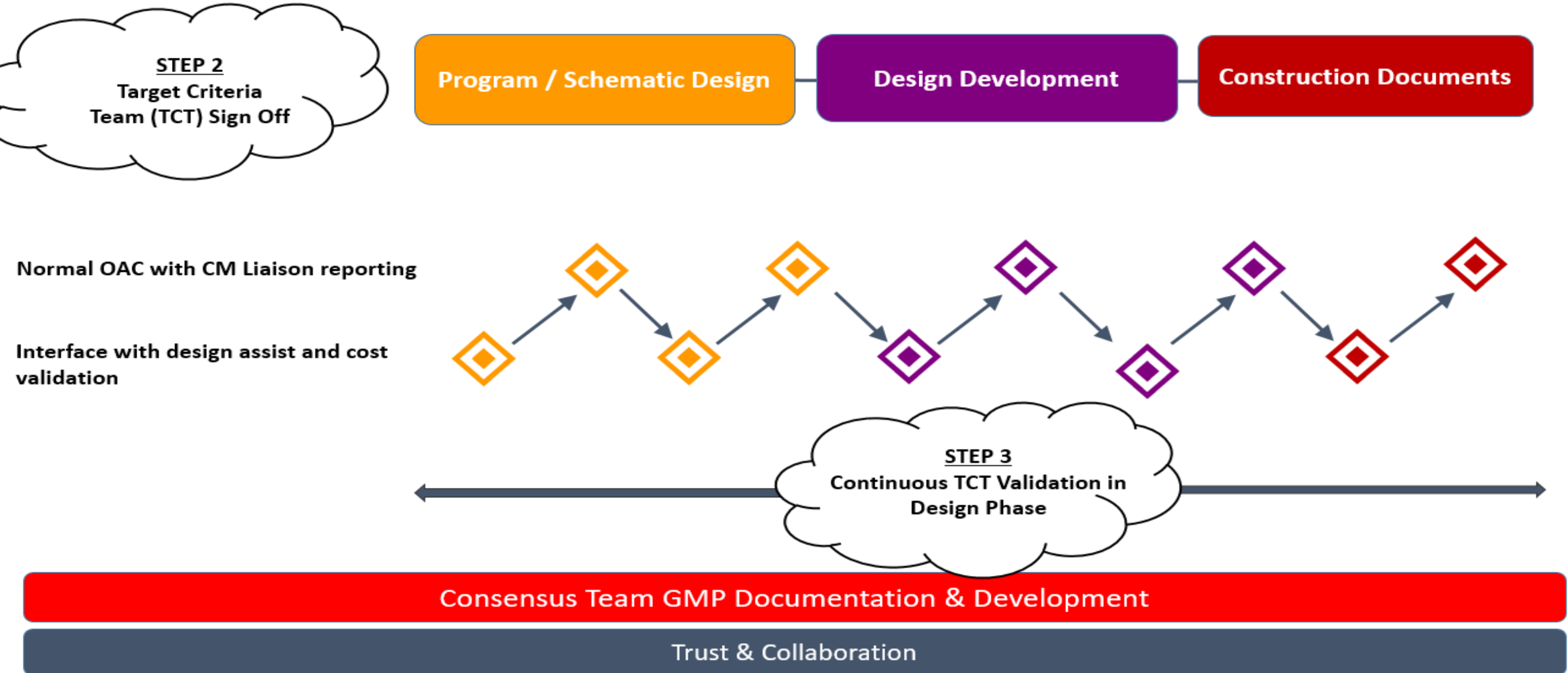
Step 2: Target Criteria Team (TCT) Sign Off

Cogence GMP Step 2: Target Criteria Team (TCT) Sign Off Process Validation Checklist

Activity	Completed	If Not Completed – Who Assumes Risk
Team Governance Structure Identified (Defined Decision Making)		
Project Team Members Established (Organization Chart Built)		
Team Building Process Enabled		
Conflict Resolution Plan Established		
Delivery Model Confirmed		
Team Generated Schedule Developed (Pull Plan Method Applied)		
Transparent Communication of Workflow (Big-Room/Co-Location)		
Contingency Management Plan		
Risk Analysis Complete and Documented		
Team agreement on ability to execute (financially stable)		

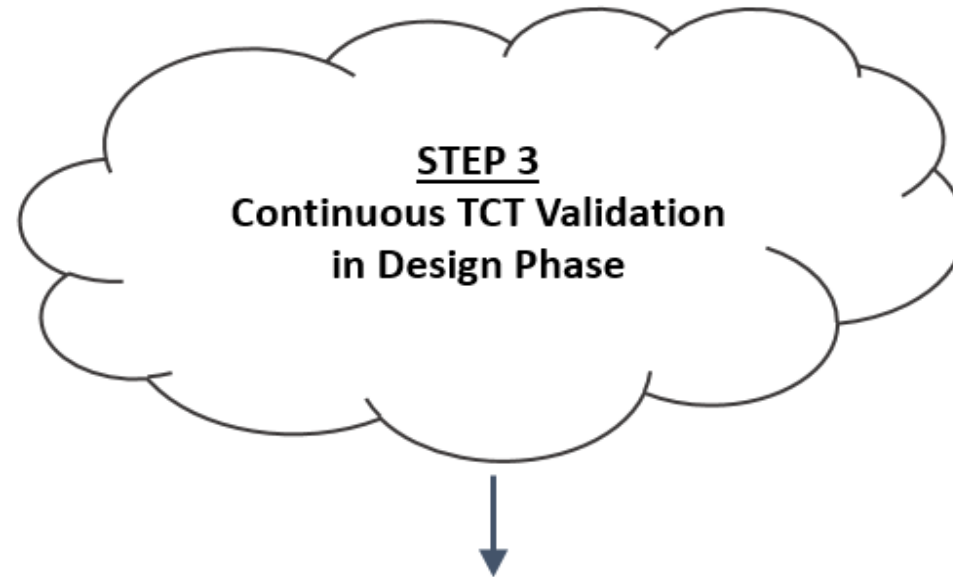


A Cogence GMP: Continuous Validation → Design





A Cogence GMP: Continuous Validation → Design



CM Liaison to Design Process (at OAC Meetings)

CM Liaison interface and Check with DA and Cost Support- track and react to ebb and flow of the design

CM Liaison Report Back to Owner and Design Team (selected intervals)

Owner Scope Change and Impact Identified

Trending and Bias of Budget and Schedule

The Target Criteria Budget (TCB) is a living document that changes during design

There is a report-out and budget status updates at defined intervals throughout the design

At the end of design there is a TCB that is called post design; not a GMP yet since we have not completed the bidding phase



Step 3: Continuous TCT Validation → Design

Cogence GMP Step 3: Continuous TCT Validation - Design Phase Process Validation Checklist

Activity	Completed	If Not Completed – Who Assumes Risk
Target Criteria Team Sign Off		
Agenda and Schedule for OAC Inclusive of Cogence Process		
Interval of Validation Established		
Pricing Checks and Schedule Assumptions Reasonable		
Owner Priorities Understood		
Risk Analysis Complete and Documented – (slope of risk line)		
Evaluate Team Confidence in Project Plan (All Parties)		
Document Development Sufficient to Move Forward		
Scope Modification Tracker in Place		
Team agreement on ability to execute (financially stable)		



A Cogence GMP: Target Criteria Budget → Acceptance



Consensus Team GMP Documentation & Development

Trust & Collaboration



A Cogence GMP: Target Criteria Budget → Acceptance



4-6 Major Scope Review Meetings with Design Team /Trades
DAs present or consulted if not the selected trade
Jointly compare the Pre and Post Design TCB with the GMP
Discussions with the Trades on how to rectify any large swings or abnormalities
Evaluate and confirm risk levels and how much any residual risk is costing
Develop Alternatives, Owner Options and Team Recommendations



Step 4: Post GMP Scope Review

Cogence GMP Step 4: Post GMP Scope Review Process Validation Checklist

Activity	Completed	If Not Completed – Who Assumes Risk
Target Criteria Team Sign Off		
Document Assumptions and Qualifications		
Bid Packages Identified		
Scope Review Meetings Selected and Scheduled		
Large Project Cost Drivers Understood / Priorities Aligned		
Suggestions and Alternates from Scope Review Vetted		
Owner Project Initiation, Team Target Criteria Checked		
Owner Project Vision on Track		
Identify Remaining Risks		
Clarify Owner level of involvement		
Confirm Deliverable + Business Plan Confirmation		
Alternates		
Constructability review		



A Cogence GMP: Target Criteria Budget → Acceptance

Target Criteria
Budget (TCB) Post
Design with
Alternate,
Backup and Risk
Qualifications

Develop GMP and
Bidding

STEP 4
Post GMP Scope Review
Meeting with Design
Team and CM only

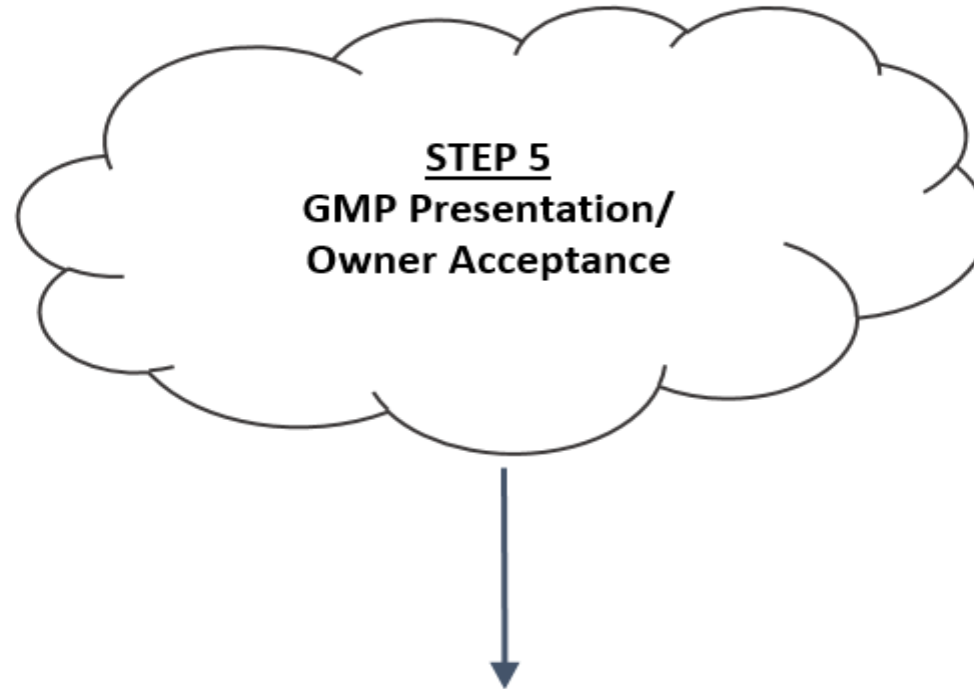
STEP 5
GMP Presentation/
Owner Acceptance

Consensus Team GMP Documentation & Development

Trust & Collaboration



A Cogence GMP: Target Criteria Budget → Acceptance



Full team presentation
Owner listens, understands and has meta data on GMP
Owner must state if they don't have confidence in a number and request clarification and back-up
Questions and team vetting once all information presented



Step 5: GMP Presentation and Acceptance

Cogence GMP Step 5: GMP Presentation and Acceptance Process Validation Checklist

Activity	Completed	If Not Completed – Who Assumes Risk
Transparent Communication of GMP and Background Presented		
Owner Questions answered and confirmations completed		
New Team Member orientation Completed		
GMP Owner Official Acceptance Documented		
Team Acceptance Document		
Team Confidence Checks in Place		
Ensure process was competitive – auditable		
GMP details – staffing model, schedule + time		
Risk Analysis		
Allocate contingency		
Full disclosure		

GMP Process

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How Does the Cogence GMP Process Eliminate Existing Risks?

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How Does the Cogence GMP Process Eliminate Existing Risks?

Collective Risks We Face

Financial schedule delays business operations effort exceeds budget pricing assumptions cash flow Estimates based on incomplete information aligning pricing structure to compete with market	Project Management inexperience not being clear with performance expectations scope creep/scope change reliance on consultant/sub performance overextended workload not involved early enough to affect outcome
Leadership change within project timeline lack of engagement misalignment of personalities not involved early enough to affect outcome	Contract Issues scope not detailed shift risk to inappropriate party not negotiable not properly coordinated with team
Failed Expectations schedule/budget not realistic overcommitting forced to accept deficiencies assumptions made on incomplete info	Communication lack of transparency not open, honest, timely fails to clarify intent does not happen
Quality poor craftsmanship incomplete/conflicting documents constructability issues poor performance changes in scope without change to schedule; quality suffers	

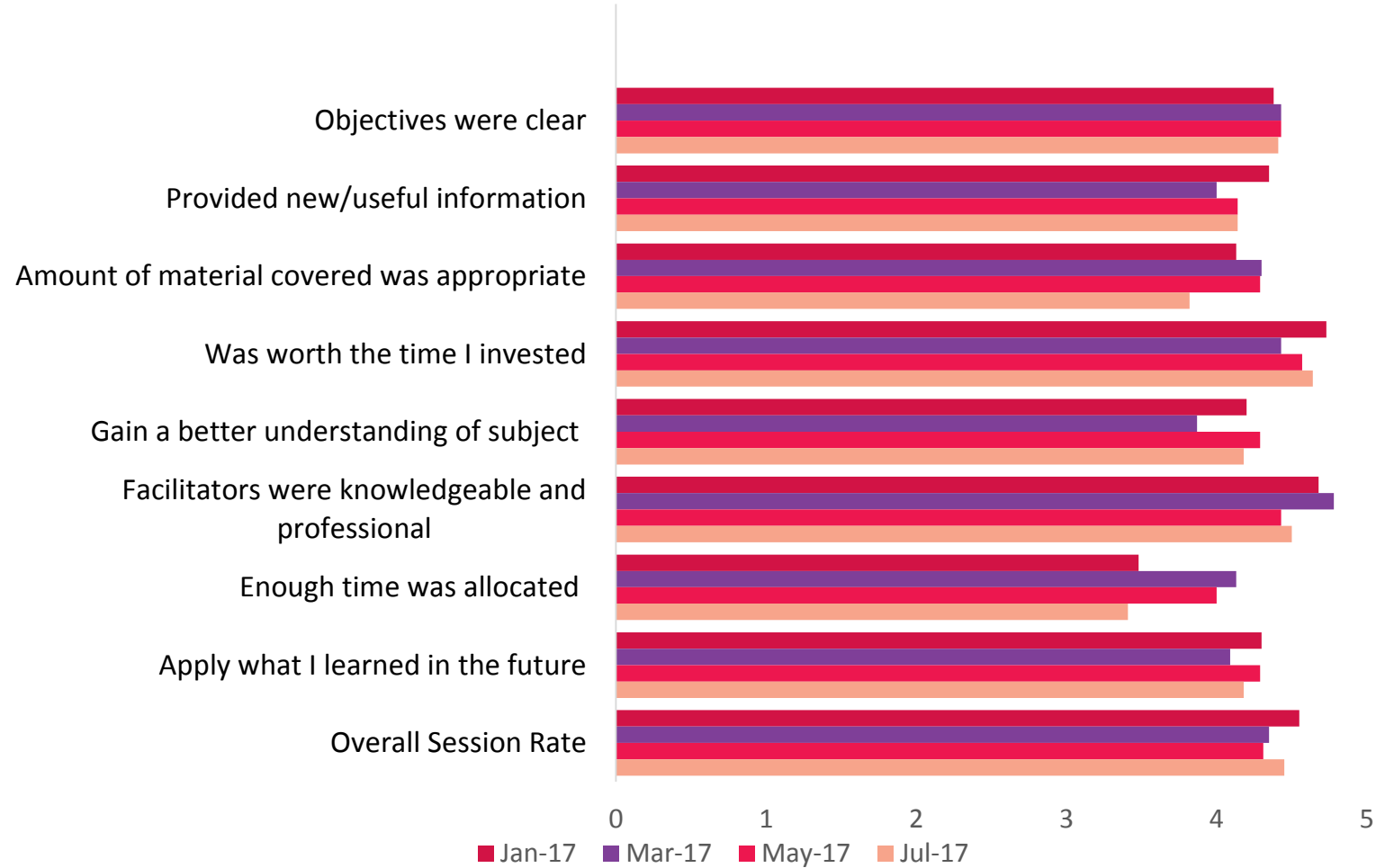


General Notes

- Cogence Process not Cogence GMP Process
- Clarify terminology
- Steps – is that the right word
- Why is everything a point a time
- Identify time frame with each
- Process must be scalable on Project Size
- Can you combine steps 3,4,5
- One element of a larger process – including schedule



Program Survey





Plus / Delta

Plus (+)

- Preparation!
- Diversity of Comments
- Process enhanced today
- Openness to challenge
- Participation
- Engaged

Delta (-)

- Fire Alarm
- Wanted to accomplish so much – it's a journey

Town Hall

10 November 2017 @ 8:00

Register Today!