

Speaking Engagements | December 21, 2022 | 8:00 AM - 9:05 AM ET

Pitfalls of GMP – Observations from the Developer's Perspective

SPEAKERS

Kevin P. Wallace | Nicholas M. David

Wednesday, December 21 • 1:00 – 2:05 p.m. ET

Large-scale construction projects present a myriad of issues that developers need to effectively navigate. To mitigate these issues and deliver successful projects, developers need to tailor their construction management agreements. These agreements need to establish objective requirements governing construction manager's performance, clear and agreed-upon allocations of risk between the developer and construction manager, both pre-GMP and post-GMP, and straightforward mechanisms for dealing with project issues when they arise. To that end, this presentation analyzes the problems developers face and how the construction management agreement can be structured to anticipate likely issues and preemptively mitigate risk. Through objective provisions in the agreement, the parties can clearly define their rights and obligations and avoid unnecessary disputes during the project. The construction management agreement can also be designed to align the parties' interests and incentivize the construction manager's performance to meet certain developer objectives.

Learning Objectives

- You will be able to discuss how to structure contractual provisions to anticipate such issues and clearly define risk allocation (from the developer's perspective).
- You will be able to explain methods to align the developer's and construction manager's interests during the project, which can mitigate both parties' damages when unexpected issues arise during construction.
- You will be able to identify several issues that are likely to arise during a large-scale construction project and how those issues impact a developer's goals and objectives.
- You will be able to recognize common disputes that arise during GMP projects and strategies to address and mitigate the impact of such disputes.

RELATED INDUSTRIES + PRACTICES

- Construction