Summary

To cope with the increasing demand for better project management in the form of non-traditional tendering and contract arrangement, the newly emerged Guaranteed Maximum Price Contract ("GMP") is reviewed and analysed in this study for its application in Singapore. Various features adopted in the GMP methodology are highlighted in detail, and their impact on time, cost, quality and management of the development are discussed. The writer has been working in construction within the region for over 20 years and his involvement in one local project using the GMP contract is referenced in the study. The project performance is appraised from the point of view of the developer, and it turned out to be satisfactory and better than similar jobs using traditional contract arrangement.

Further comparison with another similar development using the GMP methodology indicates consistent results though the applications encountered different problems due to individual participants. Though the GMP contracts run so far have been successful, there are limitations for its application in Singapore and they are reviewed briefly and recommendations are made to overcome these issues. Outstanding performance of the GMP contract to traditional lump sum price, BQ unit price and cost plus contracts are also reviewed and it is evident that the GMP form will be a better means to enable expected performance of the development in which the developer will have better control, involvement and good value for money invested in the project.