

SENATE CONCURRENT RESOLUTION NO. 64

BY SENATOR PRICE

A CONCURRENT RESOLUTION

To create and provide for the Task Force on Construction Management at Risk (CMaR) to study the historical purpose of the legislation and to recommend any action or legislation the task force deems necessary and appropriate.

WHEREAS, Act 782 of the 2014 Regular Session created the construction management at risk project delivery method; and

WHEREAS, R.S. 38:2225.2.4 establishes CMaR as an alternative project delivery method for public entities when deemed to be in the public interest and beneficial to the owner; and

WHEREAS, R.S. 38:2225.2.4 defines CMaR as a delivery method in which the owner separately contracts with a design professional and a CMaR contractor during the preconstruction phase, with the CMaR contractor thereafter potentially providing construction services under a guaranteed maximum price arrangement; and

WHEREAS, the original statutory framework limited CMaR use for projects estimated to cost more than twenty-five million dollars; and

WHEREAS, Act 163 of the 2015 Regular Session established a CMaR pilot program and reduced the project threshold for any public entity to use the CMaR method for projects costing three million dollars or more; and

WHEREAS, subsequent legislation reduced the project cost threshold including provisions permitting use on projects estimated to cost less than fifteen million dollars subject to prior notification and approval by the House and Senate committees on transportation, highways and public works; and

WHEREAS, additional legislation expanded the availability of CMaR to additional public entities, specifically hospital districts, which included lower cost requirements than other public entities subject to prior notification and approval by the House and Senate committees on transportation, highways and public works; and

WHEREAS, the Louisiana Department of Transportation and Development has recognized R.S. 38:2225.2.4 as legislative authorization for the use of CMaR on public works projects and has published administrative guidance concerning implementation of the delivery method; and

WHEREAS, with the CMaR delivery method, the contractor assumes financial risk by committing to deliver the project within a guaranteed maximum price and the contractor is responsible for cost overruns not caused by owner-directed changes or unforeseen conditions, thereby placing the risk of managing construction costs, subcontractor performance, and schedule execution on the contractor rather than the public owner; and

WHEREAS, it is necessary to assess the viability, needs, and effects of the CMaR project delivery method regarding public entities and state agencies.

THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby establish and provide for the Task Force on Construction Management at Risk to study the viability and necessity for certain provisions and restrictions, and to propose recommendations, together with specific proposals for legislation, in a written report to the legislature and to the David R. Poynter Legislative Research Library as required by R.S. 24:771 and 772, no later than March 1, 2028.

BE IT FURTHER RESOLVED that the task force shall include consideration of past and current laws, policy, and industry practices.

BE IT FURTHER RESOLVED that the task force shall consist of the following members:

(1) The chairman of the Senate Committee on Transportation, Highways and Public Works, or his designee, who shall serve as the chairman of the committee.

(2) The vice chairman of the Senate Committee on Transportation, Highways and Public Works, or his designee.

(3) The chairman of the Senate Committee on Finance, or his designee.

(4) The chairman of the House Committee on Transportation, Highways and Public Works, or his designee.

(5) The vice chairman of the House Committee on Transportation, Highways and Public Works, or his designee.

(6) The chairman of the House Committee on Appropriations, or his designee.

(7) The secretary of the Department of Transportation and Development, or his designee.

(8) The commissioner of the Division of Administration, or his designee.

(9) The president of the Police Jury Association of Louisiana, or his designee.

(10) The chief executive officer of the Louisiana Associated General Contractors, or his designee.

(11) The president of the Associated Builders and Contractors, or his designee.

BE IT FURTHER RESOLVED that the names of members serving, or their designees, on the task force shall be submitted to the Senate Committee on Transportation, Highways and Public Works staff no later than August 30, 2026.

BE IT FURTHER RESOLVED that the task force shall convene for its first meeting no later than November 1, 2026, at the call of the chairman of the committee, and at the first meeting, the members shall elect a vice chairman.

BE IT FURTHER RESOLVED that a majority of the task force shall constitute a quorum for the transaction of business. All official actions of the task force shall require the affirmative vote of a majority of the members.

BE IT FURTHER RESOLVED that the task force shall terminate on the date of the submission of its report or March 1, 2028, whichever occurs first.

BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the chairman of the Senate Committee on Transportation, Highways and Public Works, the vice chairman of the Senate Committee on Transportation, Highways and Public Works, the chairman of the Senate Committee on Finance, the chairman of the House Committee on Transportation, Highways and Public Works, the vice chairman of the House Committee on Transportation, Highways and Public Works, the chairman of the House Committee on Appropriations, the secretary of the Louisiana Department of Transportation and

SCR NO. 64

ENROLLED

Development, the commissioner of the Division of Administration, the chief executive officer of the Louisiana Associated General Contractors, and the president of the Associated Builders and Contractors.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES