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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Sharon F. Lyles

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SB 162 Engrossed

DIGEST  
2015 Regular Session

Gary Smith

Present law authorizes an owner who is a public entity to use the construction management at risk (CMAR) project delivery method. The owner engages a design professional for predesign or design services, or both. The owner contracts separately with a CMAR contractor to engage in the preconstruction phase who may also provide construction services to build the project. Use of CMAR is limited to projects estimated to cost \$25 million dollars or more.

Proposed law establishes a CMAR pilot program that is limited to ten projects, each estimated to cost three million dollars or more. Pilot projects must be submitted by name for review and approval by the House and Senate committees on transportation, highways, and public works. A public entity is allowed only one CMAR pilot project.

Present law requires the owner to select the CMAR contractor either before, but not later than, when design is not more than 30% complete if the benefits of the CMAR method reduce as the design process progresses.

Proposed law declares that the benefits of using the CMAR method reduce as project design progresses and provides that determination of the design completion percentage is based on the professional opinion of the owner's design professional.

Present law provides that, if the owner and CMAR contractor are able to negotiate, establish, and agree upon a guaranteed maximum price for rendering construction services for the project, the owner may authorize the CMAR contractor to undertake construction services. Further provides that an owner may determine and authorize a CMAR contractor to undertake specific items provided such undertaking is beneficial to the project, including but not limited to items that require a long lead time, further understanding of unknown site conditions, or other issues.

Proposed law changes "authorize" to "contract with".

Effective August 1, 2015.

(Amends R.S. 38:2225.2.4(A)(3), (F)(5), and (G)(5))